

COUNCIL MEETING

MARCH 27, 2013

The Council Meeting of the Council of the County of Kaua'i was called to order by the Council Chair Jay Furfaro at the Council Chambers, 4396 Rice Street, Room 201, Līhu'e, Kaua'i, on Wednesday, March 27, 2013 at 8:40 a.m., after which the following members answered the call of the roll:

Honorable Tim Bynum
Honorable Gary L. Hooser
Honorable Ross Kagawa (*present at 8:41 p.m.*)
Honorable Nadine K. Nakamura
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Jay Furfaro

Chair Furfaro: I have a few announcements before I look to approve the agenda. We have a number of items that are on today's agenda with special visitors from Honolulu on various items and we do have a public hearing at 1:30 p.m., followed up by a request by two (2) Special Counsel Attorneys to be able to take ES-612 and ES-613 at specified due to their availability. That will be at 1:45 p.m., as well as 2:15 p.m., tentatively. We also have a very full Council Meeting today and I just want to make sure that we are timely and we expedite our activities by moving very coordinated today through the calendar. I also understand that the Clerk may have some items before we move to approve the agenda. There might be some amendments or revisions.

Mr. Clerk: Council Chair and Members, on page five (5) C 2013-124 was listed under the Consent Calendar. That item needs to be considered as part of Communications. It requests Council action.

Chair Furfaro: C 2013-124, thank you.

Mr. Clerk: Can you move that out of the Consent Calendar? And the other changes deal with the Bills on page eleven (11). There are two (2) Bills that need to be reworded. The Bills are correct; however, the agenda was erroneously – there was an error done. The first one is on Bill No. 2474 what needs to change is; it is not "A Bill for an Ordinance," it is "An Ordinance Amending Ordinance No." Also in that same listing we have referenced to the "surplus and appropriations estimated in the General Beautification Fund and the General Fund," it is not the "surplus and appropriations estimated in the General Beautification Fund and the General Fund," however the new wording should be "amount estimated in the General Fund and Beautification Fund." We have it down in writing and we will give it to all the members.

Chair Furfaro: You will be distributing that later this morning?

Mr. Clerk: Yes, right after we get started.

Chair Furfaro: That is Bills Nos. 2474 and 2475?

Mr. Clerk: Yes, the next one is Bill No. 2475, the same needs to be done. It is, "An Ordinance Amending Ordinance," instead of "surplus and appropriations," it is the "amounts estimated in the Debt Service Fund."

Ms. Yukimura: I have two (2) questions; one, have we gotten a clearance from the County Attorney that this meets the Sunshine Law requirements of notice? Two, I guess I need an explanation for how we could have a draft Bill that is an Ordinance to amend an Ordinance.

Chair Furfaro: Mr. Clerk, the first question posed to you, because I am hearing of this for the first time this morning is if the notification and clearance of the County Attorney.

Mr. Clerk: We have not had clearance from the County Attorney's Office.

Chair Furfaro: Is there anyone here from the County Attorney's Office? Eddie, you are now assigned to find us someone from the County Attorney's Office for questions from Councilmember Yukimura.

Mr. Clerk: And on the second question regarding the wording change on the agenda, the wording accurately reflects the actual titles in the Bill that is included in the agenda and we have not received clearance from the County Attorney's Office.

Chair Furfaro: For both questions, we have no clearance, right? Is that what you are saying?

Mr. Clerk: Yes.

Chair Furfaro: I would like to ask a question of the Clerk if I moved to approve the agenda, should we eliminate these two (2) items.

Mr. Clerk: Chair, I believe that we should approve the agenda as amended and have the County Attorney's come up at some time shortly and give us an explanation if it is not okay with them.

Chair Furfaro: Okay. Would you see that Mr. Topenio understands that my request that I just gave him was urgent and he needs to be at a telephone or he needs to get over to the County Attorney's Office.

Ms. Yukimura: I am still not clear after the Clerk's explanation, I have never heard of an Ordinance to amend an Ordinance but perhaps we can give that question to the County Attorney's Office.

Chair Furfaro: That is why I am asking them to come over. I am asking them for some legal opinions. I am very disappointed that they are not here when we started this Council Meeting. We are going to take it as amended right now from your voice vote but we are expected before we get to those items, to have dialogue with the County Attorney. On those two (2) notations from Councilmember Yukimura, we are going to move forward with the request to approve the agenda.

Ms. Yukimura: I have one more request. Could we take C 2013-107 off of the Consent Calendar also and move it to the regular agenda.

Chair Furfaro: Give me that number one more time.

Ms. Yukimura: It is item two (2) on page one (1).

Chair Furfaro: 109?

Ms. Yukimura: It is C 2013-107.

Mr. Rapozo: Mr. Chair, we have a draft Bill addressing that item, so the discussion can occur at the draft Bill. This is just the communication.

Ms. Yukimura: Right. I wanted to make some comments on the communication if that is alright?

Mr. Rapozo: I have no problem.

Chair Furfaro: I want to make sure I understand, although Mr. Rapozo has pointed out that the actual Bill comes up later, you would like to have dialogue on the actual Consent Calendar item and you want it removed for overall approval at this time?

Ms. Yukimura: Just so that it comes up in the regular agenda rather than being dealt with all the others on the Consent Calendar.

Chair Furfaro: Your request is understood.

APPROVAL OF AGENDA.

Mr. Rapozo moved for approval of the agenda as circulated, seconded by Ms. Nakamura, and unanimously carried.

Mr. Rapozo moved to amend the agenda to take out C 2013-107 and C 2013-124 off of the Consent Calendar and to amend the language on Proposed Draft Bills Nos. 2474 and 2475, seconded by Ms. Nakamura, and unanimously carried.

Chair Furfaro: To the Clerk, the Council agenda today has been modified as such.

Mr. Clerk: So noted.

MINUTES of the following meetings of the Council:

January 30, 2013 Council Meeting
February 13, 2013 Special Council Meeting
February 13, 2013 Council Meeting

Mr. Rapozo moved to approve the Minutes as circulated, seconded by Ms. Nakamura.

Chair Furfaro: Mr. Clerk there is a request to meet with you and Jade on two (2) particular items afterwards but we will move to approve this.

The motion to approve the Minutes was then put, and unanimously carried.

Chair Furfaro: Now, as we have modified the Consent Calendar, I want to make sure that everybody understood the motions made by Mr. Rapozo and seconded by Council Vice Chair Nakamura, all those in favor on the Consent Calendar signify by saying "aye." Is there anyone in the audience that wanted to speak on the Consent Calendar items?

CONSENT CALENDAR:

C 2013-106 Communication (02/27/2013) from the Mayor, transmitting for Council consideration and confirmation Mayoral appointee Heath Allen Prow to the Building Board of Appeals for the County of Kaua'i – Term ending 12/31/2015: Mr. Rapozo moved to receive C 2013-106 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-108 Communication (02/28/2013) from the Director of Finance, transmitting for Council consideration, a proposed Ordinance amending Ordinance No. B-2012-736, as amended, relating to the Operating Budget of the County of Kaua'i, State of Hawai'i, for the Fiscal Year July 1, 2012 through June 30, 2013, by revising the amounts estimated in the Debt Service Fund. (*Debt Service Fund - \$2,100,000.00*): Mr. Rapozo moved to receive C 2013-108 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-109 Communication (03/01/2013) from the Chief, Building Division, Department of Public Works, transmitting for Council information, the Monthly Report on Building Permit Information for the Month of July 2012, which includes the following:

- a) Building Permit Processing Report
- b) Building Permit Estimated Value Summary
- c) Building Permits Tracking Report
- d) Building Permits Status

Mr. Rapozo moved to receive C 2013-109 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-110 Communication (03/01/2013) from the Chief, Building Division, Department of Public Works, transmitting for Council information, the Monthly Report on Building Permit Information for the Month of August 2012, which includes the following:

- a) Building Permit Processing Report
- b) Building Permit Estimated Value Summary
- c) Building Permits Tracking Report
- d) Building Permits Status

Mr. Rapozo moved to receive C 2013-110 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-111 Communication (03/01/2013) from the Chief, Building Division, Department of Public Works, transmitting for Council information, the Monthly Report on Building Permit Information for the Month of September 2012, which includes the following:

- a) Building Permit Processing Report
- b) Building Permit Estimated Value Summary
- c) Building Permits Tracking Report
- d) Building Permits Status

Mr. Rapozo moved to receive C 2013-111 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-112 Communication (03/01/2013) from the Chief, Building Division, Department of Public Works, transmitting for Council information, the Monthly Report on Building Permit Information for the Month of October 2012, which includes the following:

- a) Building Permit Processing Report
- b) Building Permit Estimated Value Summary
- c) Building Permits Tracking Report
- d) Building Permits Status

Mr. Rapozo moved to receive C 2013-112 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-113 Communication (03/01/2013) from the Chief, Building Division, Department of Public Works, transmitting for Council information, the Monthly Report on Building Permit Information for the Month of November 2012, which includes the following:

- a) Building Permit Processing Report
- b) Building Permit Estimated Value Summary
- c) Building Permits Tracking Report
- d) Building Permits Status

Mr. Rapozo moved to receive C 2013-113 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-114 Communication (03/01/2013) from the Chief, Building Division, Department of Public Works, transmitting for Council information, the Monthly Report on Building Permit Information for the Month of December 2012, which includes the following:

- a) Building Permit Processing Report
- b) Building Permit Estimated Value Summary
- c) Building Permits Tracking Report
- d) Building Permits Status

Mr. Rapozo moved to receive C 2013-114 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-115 Communication (03/01/2013) from the Chief, Building Division, Department of Public Works, transmitting for Council information, the Monthly Report on Building Permit Information for the Month of January 2013, which includes the following:

- a) Building Permit Processing Report
- b) Building Permit Estimated Value Summary
- c) Building Permits Tracking Report
- d) Building Permits Status

Mr. Rapozo moved to receive C 2013-115 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-116 Communication (03/05/2013) from the County Engineer, transmitting for Council consideration, a Resolution repealing Item Eighteen (18), Section XVI, Resolution No. 54-91 relating to the twenty-five miles per hour (25

MPH) speed limit along a portion of Iwipolena Road and establishing a new maximum speed limit of fifteen miles per hour (15 MPH) along portions of Iwipolena Road, Waimea District, County of Kaua'i, State of Hawai'i: Mr. Rapozo moved to receive C 2013-116 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-117 Communication (03/08/2013) from the Director of Finance, transmitting for Council consideration, a Proposed Ordinance to amend Ordinance No. B-2012-736, as amended, relating to the Operating Budget of the County of Kaua'i, State of Hawai'i, for the Fiscal Year July 1, 2012 through June 30, 2013, by revising the amounts estimated in the Golf Fund (*Golf Fund*, \$51,459.00): Mr. Rapozo moved to receive C 2013-117 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-118 Communication (03/01/2013) from the Housing Director, transmitting for Council consideration, a Resolution Authorizing The Filing Of The Kaua'i County 2013 Action Plan (HOME Investment Partnerships Program) With The Department Of Housing And Urban Development, United States Of America, For A Grant Under Title II Of The Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625), as amended: Mr. Rapozo moved to receive C 2013-118 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-119 Communication (03/01/2013) from the Housing Director, transmitting for Council consideration, a Resolution Authorizing The Filing Of The Kaua'i County 2013 Action Plan (Community Development Block Grant) With The Department Of Housing and Urban Development, United States of America, For A Grant Under Title I Of The Housing And Community Development Act Of 1974 and 1987 (Public Laws 93-383 and 100-242), as amended: Mr. Rapozo moved to receive C 2013-119 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-120 Communication (03/12/2013) from Councilmember Yukimura, providing written disclosure of a possible conflict of interest and recusal, relating to Agenda Item C 2013-99, an update on the Keiki to Career – Workforce Readiness, Comprehensive Economic Development Strategy (CEDS) Project, as she serves on the Leadership Council for the Keiki to Career Initiative: Mr. Rapozo moved to receive C 2013-120 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-121 Communication (03/12/2013) from Council Vice Chair Nakamura, transmitting for Council consideration, a Resolution Urging the Governor, the Hawai'i Congressional Delegation, and all State of Hawai'i Legislators to encourage President Barack H. Obama to select Hawai'i as the site for his Presidential Library: Mr. Rapozo moved to receive C 2013-121 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-122 Communication (03/12/2013) from the Deputy Director of Finance, transmitting for Council consideration, a proposed Ordinance amending Ordinance No. B-2012-737, as amended, Relating to the Capital Budget of the County of Kaua'i, State of Hawai'i, for the Fiscal Year July 1, 2012 through June 30, 2013, by amending the Budget Proviso relating to projects funded with Community Facilities District (CFD) Bonds: Mr. Rapozo moved to receive C 2013-122 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-123 Communication (03/13/2013) from the Director of Finance, transmitting for Council consideration, a Proposed Bill for an Ordinance to amend Section 2 of Ordinance No. 891, An Ordinance Authorizing the Issuance of General Obligation Bonds of the County of Kaua'i for the Purpose of Financing Certain Public Improvements and Refunding Certain Bonds of the County; Fixing or Authorizing the Fixing of the Form, Denominations, and Certain Other Details of Such Bonds and Providing for the Sale of Such Bonds to the Public: Mr. Rapozo moved to receive C 2013-123 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-125 Communication (03/15/2013) from the Mayor, transmitting his Fiscal Year 2013-2014 Budget Message, along with his proposed Operating Budget and Capital Improvements Projects (CIP) Budget. (Detailed Line Item Budget on file in the County Clerk's Office.): Mr. Rapozo moved to receive C 2013-125 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-126 Communication (03/19/2013) from the Director of Finance, transmitting for Council consideration, six (6) revenue enhancement bills and a resolution to amend the Fiscal Year 2013-2014 revenues in the following areas:

- Solid Waste Tipping Fee
- Monthly and Annual Bus Fares
- Motor Vehicle Registration Fee
- Motor Vehicle Weight Tax
- Fuel Tax
- Planning Permit Fees

Mr. Rapozo moved to receive C 2013-126 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-147 Communication (03/21/2013) from Councilmember Yukimura, providing written disclosure of a possible conflict of interest and recusal, relating Resolution No. 2013-45, Authorizing The Filing Of The Kaua'i County 2013 Action Plan (Community Development Block Grant (CDBG) With The Department Of Housing And Urban Development, United States of America, For A Grant Under Title 1 Of The Housing And Community Development Act Of 1974 And 1987 (Public Laws 93-383 and 100-242), as amended, as she serves as the Vice President of the Kaua'i Branch Advisory Board of the Boys and Girls Club: Mr. Rapozo moved to receive C 2013-147 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-138 Communication (03/20/2013) from the Mayor, transmitting his Revised Fiscal Year (FY) 2013-2014 Budget Message, to reflect a revision related to the vehicle weight tax proposed increase and estimated additional annual charge per average vehicle size: Mr. Rapozo moved to receive C 2013-138 for the record, seconded by Ms. Nakamura, and unanimously carried.

There being no objections, C 2013-107 was taken out of the Consent Calendar.

C 2013-107 Communication (02/28/2013) from the Director of Finance, transmitting for Council consideration, a proposed Ordinance amending Ordinance No. B-2012-736, as amended, relating to the Operating Budget of the County of Kaua'i, State of Hawai'i, for the Fiscal Year July 1, 2012 through June 30, 2013, by revising the amounts estimated in the Beautification Fund (\$443,715.00) and the General Fund (\$320,479.00). (*General Fund – Department of Finance, General*

Liability Account - \$764,194.00): Mr. Rapozo moved to receive C 2013-107 for the record, seconded by Ms. Yukimura.

Ms. Yukimura: I just wanted to take the opportunity to point out that for those who are concerned about our tight budgetary situation in the County where we are concerned about expenditures exceeding revenues that this particular situation which is a cover letter to a money Bill that the Administration is asking us to move funds into an account that will help to pay for a Puhi Metal Site cleanup. This is for seven hundred and sixty-four thousand dollars (\$764,000) but it is part of an estimated two million dollars (\$2,000,000) that would cost the County to clean the Puhi Metal site. I just want to point out that this situation identifies one of the causes of our budgetary problems. We are dealing here with unanticipated cost and liabilities due to poor management of contracts and operations by the Administration. Because the Solid Waste Division has failed to properly manage its contract on the Puhi Metals site, taxpayers have to pay a minimum of two million dollars (\$2,000,000). It could be more to clean up the site. This kind of failure of management oversight is costing the County millions of dollars. Millions of dollars that we could spend instead to expand the bus, build affordable housing, or invest in diversifying our economy. This is solely the *kuleana* of the Mayor and his Department Heads. This kind of poor contracting and failure to properly manage contracts is causing many problems for the County. It begins with how the Administration hires and retains managers and how managers are trained and held accountable. I have been very pleased with some of the recent management hires and I hope that the Mayor will address this pressing problem which I believe is hurting the County.

Chair Furfaro: This item is to receive along the lines that it will be coming up a little bit later as Mr. Rapozo has pointed out in a money Bill.

The motion to receive C 2013-107 for the record was then put, and unanimously carried.

There being no objections, C 2013-107 was taken out of the Consent Calendar.

C 2013-124 Communication (03/15/2013) from the Budget and Purchasing Director, requesting Council approval to reinstate two (2) County vehicles previously taken out of circulation:

- #114, License No. CoK 1715, 2001 Chevrolet Pick-up
- #142, License No. CoK 1937, 2000 Nissan Frontier Pick-Up

Ms. Yukimura moved to approve C 2013-124, seconded by Mr. Bynum.

Mr. Rapozo: I guess I am confused. I am trying to figure out what happened when we took these vehicles out of circulation. What is the normal... I thought we auction those things off? Did we store them until we need to use them again? I have never seen a request like this where we have taken it out and then now they are asking to bring it back. Where were the vehicles when we took them out of circulation? What happened? I do not want to prolong this agenda item, obviously they need the vehicles. It is very old vehicles. Maybe we can move this and have them come up, Mr. Chair. I think it is a good question because I have never seen this before. It is a 2001 Chevrolet Pick-up and 2000 Nissan Pick-up. Maybe Ricky has that answer. Okay, the Clerk has told me that they did not take it

out yet, of circulation. But the posting is clear that "to reinstate two (2) County vehicles previously taken out of circulation." Can we have them come up?

Chair Furfaro: I think that is a good idea that perhaps a clear picture for them to be able to manage our assets in a more appropriate way especially from an accounting protocol process.

Mr. Rapozo: I agree. My concern is if we took those vehicles out of circulation at some point and these vehicles are still being used by the County, I am concerned about that. Can we have Public Works or Purchasing here?

Chair Furfaro: Mr. Clerk do you hear the request? The request would be for Purchasing to be here to express to us how do we handle item C 2013-124 as it removes items from our assets and yet without us knowing these cars went to the graveyard, we do not know what happened to them. We will have them back.

Mr. Rapozo: Another option, Mr. Chair, is to have it referred to the Public Works Committee.

Chair Furfaro: Let us see what we can do today.

Mr. Rapozo: Thank you.

Ms. Yukimura: The way I read this memo it seems like the Roads Division was just following the old procedure retiring cars based on a certain age. It was caught in the change of policy that the Administration is producing in this new budget, so it sounds like that is what happened. Perhaps because we have such a large agenda we should just refer it to Councilmember Kagawa's Committee.

Chair Furfaro: That is another choice but I would like to say it was very nice of you to make an assumption as an explanation for me...

Ms. Yukimura: It is. It is a guess.

Chair Furfaro: ...but it is a guess and if we can get them over today, we may have to put a new item on the Committee agenda for Mr. Kagawa that deals with our process in aging, identifying, miles versus years of service and that could create a new item. Let us try to get Purchasing over first.

Ms. Yukimura: Thank you.

Chair Furfaro: We will defer this until later.

Mr. Watanabe: Chair, just to be clear, the Consent Calendar items were all received.

Chair Furfaro: With the exception of those two (2) items.

COMMUNICATIONS:

C 2013-127 Communication (03/06/2013) from Council Chair Furfaro, requesting the presence of Mr. Scott Matsuura, and Mr. James Pacopac, JS Hawai'i

Consultants, LLC, to provide the Council with an update on the 2013 Legislative Session to include, but not be limited to, the status of the Kaua'i County, Kaua'i County Council, and Hawai'i State Association of Counties (HSAC) Legislative Packages for 2013: Mr. Rapozo moved to receive C 2013-127 for the record, seconded by Ms. Yukimura.

Mr. Kagawa: Before we start this, I was kind of disturbed last week with some of our questioning and when we ask a question, we get an answer, and we continue asking the same question. I think that is a waste of time and I think it would be best served that we have a long agenda, if we ask a question, we get our answer, and we accept that answer. Thank you.

Chair Furfaro: Your point is well taken. I would like to remind everybody twice a month there is a Council Meeting of which I am the Chairman of and twice a week there are Committee Meetings where various individuals are the Committee Chairs. The rules pretty much limit me to reminding people of the rules but your point is well taken and that is a practice I will follow. We have a full calendar today and let us not find ourselves in repetitive dialogue.

There being no objections, the rules were suspended.

JAMES PACOPAC, JS Hawai'i Consultants, LLC: Good morning.

SCOTT MATSUURA, JS Hawai'i Consultants, LLC: Good morning.

Chair Furfaro: I am going to give the floor to Mr. Hooser first because as everybody knows Mr. Hooser is and does quite an adequate job for us as our Intergovernmental Relations Chairperson and if you do not mind, Mr. Hooser, you spent time at the Legislature this year, I only made one (1) trip but I will give you the floor.

Mr. Hooser: The way to start would be to ask you for a report. Your contract calls for reporting on occasion and gives you certain responsibilities and obligations. Go ahead and deliver your report and then we will see if the Councilmembers have any questions.

Mr. Pacopac: Your Staff has put together a tracking report, I think all of you have it in front of you.

Mr. Rapozo: Does it look like this?

Mr. Pacopac: That is the one. Basically, I am going to have Scott go over the tracking report so you know exactly what this is.

Mr. Matsuura: Basically this report outlines all the various measures that either HSAC generated or County Council generated. It is at least seven (7) pages long. It outlines the various issues and topics of interest to the County. If you go to page number four (4) the last two (2) measures; HCR 8 and HR 8 and on the next page it is HCR 7 are the three (3) Resolutions that are still alive today. The remaining Bills have not moved forward in session. We are about three quarters away through the session. These are basically the last three (3) Resolutions from the HSAC package that are still alive.

Mr. Hooser: Thank you for the list of Bills but I think what we are looking for is a report on what your organization has done for the County during the session. I believe the contract calls for identifying (inaudible) measures and actions that may affect the County. So, it is not just HSAC and not just this list. Basically, just tell us what you have done in terms of preparing testimony, advising the County, meeting with the County, meeting with Legislators on the County's behalf.

Mr. Pacopac: In going through the session the tracking report or the tracking measures that we send to the County and also to the Council, what it does is it updates you on all hearings prior to the hearing coming up. The report or the system that we have given the County updates the system every twelve (12) seconds, it is very accurate. Therefore, we have been working with the Administration that this report will show them what is coming up and at that point they are advised and we are advised that they are preparing testimony on the Bill itself and who is coming up to testify. We assist them in coming up, making sure that their testimony gets in. At that point, as you know Gary, my role is really to try and lobby not only in the public's eye but also at later dates when meeting individually with the individual Legislators, Senators and House members. That is pretty much my role that I do, is really trying to lobby on the backside to make sure they understand what these Bills are. As you know, Gary, everything there is about education in the public hearings, in front of everybody, they do testimonies but without educating the Legislators, they do not really understand what the testimony is saying. Our role really is in these issues that are brought to us by the Administration especially on the package with the HSAC Bills, those are the Bills that we are trying to educate the Legislators on why we need those Bills – why the County needs these Bills. That is what we propose and that is what we do. As far as public hearings, we will testify if the people from Kaua'i cannot fly over or cannot make the hearings, they will contact us, send us testimony "could you please make sure that it is heard." That is basically what we have done this session.

Mr. Matsuura: As a matter of clarification, the County and the Administration have initiated their own reporting system. It was something that we had worked with this other organization in the past and have brought to each of the different organizations here. The County has since contracted their own Legislative tracking system, so we work with that. Initially at the start of session there were Bills that came from the various Departments, Administration, Council, HSAC, HCOM and all the various organization at the Council and the County is involved with. We reviewed the Bills with all the different groups in a matter of priorities/importance and have since been tracking all of those as they go through the system, again, monitoring testimony that is going forward and things like that. If there are any questions from what we understood of the Departments, there is one (1) person of contact from the Administration and there was one (1) for the Council that will alert us as to which Bills they would want us to get in there and work heavily on. That is pretty much how our system is set up. That is principally our role in the list of processes.

Mr. Hooser: The "tracking" that you are talking about with these Bills that is the one that you set up for the County? Did you have other Bills besides this that were on the tracking system that you set up for the County?

Mr. Pacopac: There were over two hundred (200) Bills.

Mr. Matsuura: There were a lot of Bills that we got.

Mr. Hooser:

And those got sent to the Council as well?

Mr. Matsuura: In all honesty, I do not know how the differences are between the Administration and the Council but we did have separate lists of Bills that came from both organizations and are listed as such. From what I can tell through the Legislative Tracking System that the Council and the Administration has contracted with and so as far as the communication between the Council and Administration, I cannot speak to that.

Chair Furfaro: Let me speak to that, there were a hundred and one (101) communications from individual members here to the Legislature of which by contract and there is a legal interpretation that many of us are not happy with from the County Attorney from 1991 that basically says that we cannot enter into an agreement with a lobbyist.

Mr. Pacopac:

Correct.

Chair Furfaro: I clearly have never been happy with that. But if you are telling me that you have not seen the material that we have been sending over, I am very concerned with that because that is well coordinated with the Administration. You have not seen this?

Mr. Pacopac:

No.

Mr. Matsuura: We see the communication that you send to the Legislature as it shows up on the system by Bill number but we do not get advance copies of your communication that goes to the Legislature.

Chair Furfaro: Well then we can understand my displeasure with the County Attorney's interpretation that we have to leave this to the Administration. I hope that answers some questions, it is not a happy answer but I hope I cleared the challenge here. I will give you this list before the day is over.

Mr. Hooser:

One of the biggest concerns that I have and is shared by the members was there were a number of Bills this Legislative Session that attempted to take power and authority away from the County and I am not aware that our lobbyist for the County participated in any of those discussions on behalf of the County – a number of Bills. I am not just talking just a couple, I am talking a whole bunch that would take away the right or authority of the Council to protect the health and life of its citizens. That was a measure that went through the Senate and no one knew about it. We would hope that your organization would have let us known at the minimum about that and a number of the other ones. I think that is where the big part of the rub is and what complicates matters is one of your other clients, Syngenta was a primary proponent of many of these measures. So, you have Syngenta's head person who is on the Hawai'i Crop Improvement Association lobbying directly against the interest of the County and your organization represents both and we did not know about that. I think that is the number one thing, we did not know. It did not seem that from the Council's prospective and I will speak on my own behalf, from my prospective it did not seem like we were getting the service... it does not seem like we are getting the services that the County is paying significantly for. When I look at the contract it says clearly identify, monitor, and report and this is the first I have heard, it says service liaison and advocate, prepare for County review and submit legislation

amendments legislation that I have not seen. I know Mr. Pacopac, what you are saying is that you work behind the scenes, you talk to Legislators and when I was there, you have talked to me and I know that has a role and I appreciate that role but that is not what is in our agreement. It further states coordinate discussions with key Legislators, it is just a whole long list and again these measures, many of them that significantly potentially impact the County, we "just happened" to find out about. So, if you want to address those issues and then I will let the other Councilmembers ask questions.

Mr. Pacopac: Sure. These measures that you are concerned with, I think all of them have died. None of them are moving through. As you know when Bills come up when they are first introduced, yes, it does cause a painful review for the County because it is something very important to the County; however, as you know Gary, the process takes all the way through to the end. At first, it may move through one (1) Committee or it may move through one (1) House but then all of a sudden, the other House is opposed and the Bill dies. I think what we are looking at here and as you know my role is, I can go ahead and provide you guys, if you want, to sit in meetings during the day and give testimony and not do the backroom work. But to me doing the backroom work is a lot more effective for your County because as I said we need to educate the Legislators. They get thousands of testimonies and a lot of them do not even read the testimonies, as you know. Sometimes these Bills take a lot of time for the Legislators to understand where it is coming from and a lot of times after crossover or coming into... before it gets to Conference Committees, a lot of them are not there anymore and that is because we are pushing from the beginning to try to make sure we hold these Bills. Again, we leave it to the Administration to come and testify because they do have the expertise in the Administrative Offices and that is why we try to work together with them. If there was something serious at this point before the Conference Committees, yes, we would be applying more pressure. The only thing we are working on is the TAT which is being deferred to the end as we do every year. There are many proposals of what they want to do again, it is going to be negotiated behind the backroom to see what the Counties' are going to get again. But as far as these other important Bills that you are concerned with, yes, we have seen them and continue to work on them. Like I said if these bad Bills do come out, yes, we should be doing more because it has not been killed. The concern of the Kaua'i Council is very important to us but again it depends on if you want us... what I am trying to say is if you want me to do the road that we let the Administration guys do which is coming up with the extra guys to talk, we can do that too. I am there in the hearings but I do not testify if I do not have to. I only testify when there is a confusion and they are really off base and do not understand what we are trying to do then I will step up as a testifier to clarify why the Bill is so important to the County of Kaua'i.

Mr. Hooser: And the question of conflict between one client that has a different interest? Syngenta clearly was proposing and supporting along with the Hawai'i Crop Improvement Association and Syngenta is the President of the Hawai'i Crop Improvement Association promoting measures that were contrary to the best interest of the County and you represent both parties. How do you explain? How do you consult both Syngenta and the County and why did you notify the County?

Mr. Pacopac: As far as Syngenta on that Bill itself, it was not a priority for them because it was never flagged to us to testify or do anything on that Bill.

Mr. Matsuura: Can you give me the Bill number?

Mr. Hooser: Actually, it was a whole bunch of them.

Mr. Pacopac: Yes, there were a whole bunch of Syngenta Bills.

Mr. Hooser: Senate Bill 727, Senate Bill 590, there was a Bill that passed last year, were you the County lobbyist also?

Mr. Pacopac: Yes.

Mr. Hooser: Okay, there was a Bill that passed last year that impacts the County's ability to approve building permits that was a surprise to me and the Councilmembers also. That Bill is still being expended even further in supportive also of the...

Mr. Pacopac: This year?

Mr. Hooser: I will hold my questions for now and let some of the other Councilmembers and you can think maybe how you would like to address Syngenta and the County opposing needs.

Mr. Rapozo: Thank you both for being here today.

Chair Furfaro: Excuse me just a minute, I gave the floor to Mr. Hooser first because he is the IGR Committee, I did not turn over the meeting to him.

Mr. Rapozo: Thank you, Mr. Chair. I want to go back to this tracking sheet and then we can go back to the concerns of Mr. Hooser. Can we just go down the list and you can give us the status and again this is more for the public.

Chair Furfaro: I will provide them a list of a hundred and one (101) communications from various Councilmembers including myself, but I will let Mr. Rapozo continue with his questions.

Mr. Rapozo: I just want to go through the brief list here, just so we can get the status. The best way, Mr. Chair, is to take each Bill and then ask the questions and then move on. The first; affordable housing, SB 552 which was part of the Kaua'i County package, what is the status on that Bill?

Mr. Matsuura: As shown here under current status, the Bill died on January 22, 2013. It was not heard in Committee.

Chair Furfaro: Excuse me, Mr. Rapozo, I am giving you the floor because you got the HSAC interest but I think Councilmember Yukimura may have a question on that subject. Can we recognize her?

Mr. Rapozo: This was not an HSAC Bill, this was from the Kaua'i County Package. I am just going through the list that you provided.

Ms. Yukimura: Chair, I have a procedural question. I like that Councilmember Rapozo is going down the list. Can all of us ask questions, could we go Bill by Bill?

Mr. Rapozo: That is what I suggested that we take a Bill, open up for questions, and we move to the next Bill.

Chair Furfaro: Let me go back to what I just said, you have the housing question, she is the Housing Chairman, she wants to ask a question to follow up on yours.

Ms. Yukimura: After your questions on that Bill.

Mr. Rapozo: I do not have questions based on your responses because this sheet tells me the current status but let us just start with the Affordable Housing Bill. That one died?

Mr. Pacopac: Yes.

Ms. Yukimura: Can you give us some insights on why it died? Because this was a County measure supported by both the Legislative body - the County Council, and the Mayor. It is extremely important to us because it could destroy our inclusionary zoning where we required developers to provide certain amount of affordable housing. Mr. Pacopac, if you spoke to Legislators about this, did you get any insights on why the Legislature did not pass it, what objections there were, and who were opposed to it?

Mr. Pacopac: The Affordable Housing Chairman on the House side, and to bring some light to you folks, that this year the House leadership and the Committee Chair's have changed. We do have brand new Chairmen and leadership positions. Gary, you have been there before, you know how that works over there. This Bill that was sent to the Housing Chair and we have had problems with her before and a lot of times if I remember correctly on this Bill in speaking with them, the Housing Chair at that time was not sure how it helps them. They were just... I guess she did not have enough votes to move it through.

Ms. Yukimura: Who is the Housing Chair that you are referring to?

Mr. Pacopac: Cabanilla.

Ms. Yukimura: In the Senate?

Mr. Pacopac: In the House.

Ms. Yukimura: But we are talking about Senate Bill 552 which it did not get out of the Senate, I think?

Mr. Matsuura: Senate Bill was not heard because it was moving in the House. The House had a hearing. Part of the background is that what these two (2) Bills are referring to was a measure that was passed last year. I think part of the reasoning behind this was because they wanted to see how the thing was working. DHHL had requested that they be able to get affordable

housing credits for those lots and that is something they asked for last year. It is kind of difficult at this point in time because it died early.

Chair Furfaro: Let me say something here. We have a huge agenda today, members, I gave the courtesy to Mr. Rapozo because he is the HSAC President for all the Counties'. When we go through these items, if they died, if they are finished, then we need to move on because we have a full agenda. If it is still alive, Mr. Rapozo will pose his question and then I will recognize members to ask questions. We will be going here at this time tomorrow at this rate for a Bill that already died.

Ms. Yukimura: I agree with your concern of time. Because it is important to know why Bills died as well as why they are still alive, I would like to ask the County consultants to give us a written report on each of the items that died that tell us why they think it died or how we can better make our attempt for passage next session.

Mr. Pacopac: Sure.

Chair Furfaro: That communication will come from me. We start with a problem, number one (1) that says from the County Attorney, we do not have the authority.

Mr. Pacopac: Correct.

Chair Furfaro: We disagree with that and we will pursue that. As Mr. Rapozo is HSAC President, there are Bills in here that affect all Counties and that is why I am giving him the floor. Councilmember Yukimura, we will send that communication over and it is so noted from our Staff.

Mr. Hooser: If the communication could request from our Lobbyist what actions they took to keep these issues from dying and move forward as well as why they died.

Chair Furfaro: Yes but my questions will be directed at the Mayor and his Staff and he will be held accountable to get these answers back from our communication per the understanding and the interpretation of the County Attorney. Is that fine with you, Mr. Hooser?

Mr. Hooser: Sure.

Mr. Rapozo: The next Bill is the TAT and I heard you say that it has been deferred until the end. What is the outlook on that? From what I understand is that the cap that is in place and will remain in place, is that your understanding?

Mr. Pacopac: The issue they are talking about is keeping the cap where it is; however, they are reviewing the percentages of what you might get. I think they were looking at dropping the percentage about eight (8) points. That was up for discussion. I know Tim, you do not like it but...

Mr. Rapozo: For Kaua'i?

Mr. Pacopac: No, for the overall. So everybody will take that same drop according to your percentage but that was the discussion, again, it is not over. That was just somebody proposing that looking for money. That is why everything is being deferred until the budget because until they start to review all the budget items, and they are looking at trying to get money from every avenue, and so that was one of the proposals. It is not set in stone. It was just up for discussion. They deferred these Bills again waiting until the end once the budget comes up. On the budget, knowing how much money there either is going to be a shortfall or if they have enough, you may retain that cap. But that is where it is and that is why it is referred to the end again.

Mr. Rapozo: So there is a chance that we could see a decrease in the TAT?

Mr. Pacopac: That is correct. It is still up for discussion.
Depending on their revenue.

Mr. Rapozo: In your opinion is it a good chance for us to get a reduction?

Mr. Pacopac: Well like the last time we just tried to keep what you got.

Mr. Rapozo: Right.

Mr. Pacopac: And this time there was a little drop but we are still trying to maintain to keep what you are getting.

Mr. Matsuura: The attempt is trying to maintain what the revenues are that is going to the various Counties. They are adjusting the percentages based on the total amount of TAT revenue that they anticipate. Again, I do not think there will be a drop in the dollars, there may be a drop in the percentage but the overall package ends up the same.

Mr. Rapozo: Because they are also proposing an increase in TAT.

Mr. Pacopac: That is correct.

Mr. Rapozo: Two percent (2%) that obviously would be like a revenue neutral.

Mr. Pacopac: That is why we are saying that we do not know how it is going to fall.

Mr. Rapozo: Okay.

Chair Furfaro: You said eight percent (8%) currently we get fixed amount, right?

Mr. Pacopac: Correct.

Chair Furfaro: Are you saying eight percent (8%) of that amount or are you saying eight percent (8%) of the total percentage which could be fifty percent (50%).

Mr. Pacopac: Eight percent (8%) of the total.

Mr. Rapozo: I would just ask that we closely track that and keep us updated. I understand it is deferred right now but as soon as you hear something, let us know.

Mr. Matsuura: The Bill that you are talking about is Senate Bill 1194, it is deferred in Tourism and now re-referred back to the Housing/Finance.

Mr. Rapozo: Okay.

Mr. Bynum: You said earlier the County has contracted its own tracking system, did I get that correct?

Mr. Matsuura: Yes.

Mr. Bynum: That is news to me. Can you explain that to me?

Mr. Matsuura: That is what we were told. Like I said, in the past we provided the services.

Mr. Bynum: I will move on, I will get that answer elsewhere. James, you said that the money issues are going to get decided at the end in virtually one (1) or two (2) days, right?

Mr. Pacopac: During the process of the budget reviews.

Mr. Bynum: And you said it is going to be negotiated in the backroom.

Mr. Pacopac: Most likely.

Mr. Bynum: Those are the words you said.

Mr. Pacopac: Yes.

Mr. Bynum: I want to say that I am really, really disappointed about how ineffective our coordination was this year. I am not going to place any blame for that but I really want it to be better next year. I said when you guys were here last year, the most important thing to me, myself and I will own it, but to the Council as well is that we be alerted about any Bills that come up that attack our traditional *kuleana*. That is about zoning, building permits, nuisance ordinances, and things that the County has been... there actually was this Bill 727 that wanted to take out of Hawai'i Revised Statutes (HRS) the language that has been there for many years saying that the County is responsible for the health and safety of its citizens. It is just unbelievable. I testified against it and I heard from the Hawai'i Crop Improvement Association that it is not about restricting the Counties and then I read their own testimony and it made it really clear that they

were pushing this to restrict the Counties and they disparaged County Councilmembers all over the State in the process of doing that. I have some real concerns about that. Over the years that I have been here, every year we seem to do some good and some better and so a lot of this is for the Administration. Few years ago, Lani Nakazawa was working in the County Attorney's Office and was assigned to track Bills and that was the best year we had about coordinating because there was an assigned person at the Administration. This year I feel like I have been doing it on my own with really good help from our Staff but I have been alerted about Bills that the Administration was testifying on that we did not know and vice versa. The reason we have you is because we cannot be there and track all of those Bills. I am really looking for a much more coordinated effort between the Administration and the Council. I will not even go into the Federal lobbyist side where we have been on again/off again, on again/off again with no real explanation. But you framed what happens at the Legislature. There is no Sunshine there, they are not applied by the Sunshine Law like every other Board & Commission in the State is and they can literally and we saw last year put a Bill on with less than two (2) hours notice and have major impact on the County of Kaua'i. Do you agree with that?

Mr. Pacopac:

Yes, sure.

Mr. Bynum: That is what I really and speaking for myself, I want to get alerted by those people that are there. In terms of TAT, I want to spend a little focus on that, and I want to make sure you guys and the Legislature understand especially the smaller Counties issues. We are entitled to that TAT, we host visitors here at a very high rate compared to the other islands and so a portion of the de facto population. The Legislature, the way it was in the past more people pay in the TAT, more visitors, more impact on the County services, and we get an increase in the TAT cost. Now, that has been capped and so all of the million visitors who came here that we are hosting and we had a whole bunch more impact on our Fire Department but no additional funds. Where do those funds come from? They come from our taxpayers, our people subsidizing visitors that are coming here because in the last four (4) years not only has our TAT been capped at the cost of millions of dollars to the County, the property taxes we collect from visitor industry are down about ten to twelve million over four (4) years.

Chair Furfaro:

You need to pose a question.

Mr. Bynum: When we retain the TAT three (3) or four (4) years ago, no change, when they threatened to take the whole thing. When they came out of those budget hearings on the last day, there were four (4) Mayors sitting there that the Legislators had to face, I think we need to know when that is so there can be seven (7) Councilmembers sitting there outside and holding them accountable for those last minutes backroom deals that they make without even allowing the public to have knowledge of it. This TAT is the most important issue the State seen because the State is saying... is this correct that what the State is saying is we want to limit further the amount of funds you get from the TAT but we are going to allow you to do GE or Sale Tax. That is the worse deal possible for the citizens of Kaua'i...

Mr. Rapozo:

Mr. Chair, I am going to raise a point.

Mr. Bynum:
being interrupted?

...do you agree? May I continue without

Mr. Rapozo: I am raising a point of order, Mr. Chair, 3(a)(3) which is your duty to maintain order. We talked before we started that we are going through the list and ask questions. They are here as resource people for questions. What I have heard in the last several minutes is discussion. I would ask Mr. Chair that you hold this Council to what you set that we would ask questions.

Chair Furfaro: It is not what I said, it is in the rule and that is the reference of the rule you made. You need to pose questions, please. You have opportunity for discussion when we call the meeting back to order and then every Councilmember has an opportunity for discussion.

Mr. Bynum: Mr. Chair, these are our Lobbyist and if we want to ask questions and if I say, then this is my belief, is this accurate, that is legitimate. If we call the session back to order then they are not here...

Chair Furfaro: It just took us a while to get there, just please pose the question as such.

Mr. Bynum: What do you suggest we do to make it clear to the Legislator? When we have this dysfunctional system, will it be significant if Councilmembers physically show up and hold them accountable in those last days?

Mr. Pacopac: Sure. Again, when they finally come out with decision-making on how they want to handle their TAT and again you said four (4) Mayors were there. This year, same thing we may have four (4) Mayors and as I told you earlier that one (1) of the Mayors has opted to go ahead and take the excise tax so we do not have solidarity anymore on HCOM and that is Maui County. You guys can show up and show your support but you still have the other people who will say, we will take it. Again, we do not know what they are going to come up with but any type of support and as I told you in a lot of the hearings I have heard testimonies from Kaua'i County, Councilmember Jay Furfaro and all of these... Mel Rapozo, all of them came up although you could not fly over but the Chairman does announce that you are in total support or in against. All I can say is as far as the TAT, we can alert you once I know where they are moving. I also let the Mayor know. Once I hear that this is what they are looking at, I can get it to you.

Mr. Bynum: What I was saying earlier is for the citizens of Kaua'i, you are saying the visitors and industry is not going to contribute anything to the burden they placed on us on a very high level, is that correct?

Mr. Pacopac: The State is looking for money.

Mr. Bynum: Right and so they want to take our money.

Mr. Pacopac: And they take your money.

Mr. Bynum: And then have us tax our citizens.

Mr. Pacopac: Correct. That is what was one (1) of the proposals, yes.

Mr. Bynum: To support visitors that is coming here?

Mr. Pacopac: Correct.

Mr. Bynum: Because the State is going to take that support money. Is it true that those kind of taxes hurt low and middle income people much more than they hurt wealthier people?

Mr. Pacopac: I would not know.

Mr. Bynum: They are regressive taxes, right?

Chair Furfaro: If you are agreeing with him, you need to answer for the record, not shake your head because we do not record motion.

Mr. Pacopac: I do not know how to answer that question whether the taxes would do that to your County.

Mr. Bynum: If you retain you next year to work with us to coordinate these issues much more clearly?

Mr. Pacopac: Yes and I think as the Chair as mentioned we do have a communication problem which he seems to resolve before next session.

Mr. Kagawa: Mr. Hooser was talking about the Syngenta issues and is it confusing for you to decide what is priority and what is not regarding the Ag Bills. For me, I have no problem with the State Legislature proposing Bills that affect their oversight, under sight regarding corn farming but there are other Councilmembers that want to have that control here at the County level. To me, we do not have the Doctors, Scientists, etc., to take care of the Department of Health responsibilities or the Department of Ag responsibilities. We can barely manage our rubbish, our parks, our roads and we want to do more at the County level? I think it is confusing to me as to what we are asking us to do and I can imagine you sitting there thinking what we expect because I think for me, your job is mainly to make sure we get the TAT share back, make sure that ordinances that the County oversights, such as building permits are very important also, and I want you to stay on top of those. Is that your understanding?

Mr. Pacopac: When we do this we do have a package that is sent to us which is supposed to reflect the Council concerns and the Administrative concerns and those are the priorities that are set for us before we start the session. I regretfully say that this year we did get started late. Our contract was not signed until over a month into session. I had no notice to proceed although I was doing the work already, they were laughing at me and saying "Show me your notice to precede, James." I could not but again it is an Administrative problem which we need to correct and that is why we never had a meeting with Council which we usually have before we start session to try to work out some of these issues that Tim has brought out again. It was unfortunate because we did have a late start. I do not know if the Chair can help in resolving this problem with the Council and the Administration so that we can start earlier, get all your concerns down, and have a united thing for us so we know exactly what you guys want and the Administration wants.

Mr. Matsuura: In all fairness to everybody, we did talk about all of these issues last year, there were communications issues similar to this year and I think it is an internal thing for all of us to be able to know where

everybody is coming from and maybe sometimes we get caught up in procedures more than given the opportunity to communicate. It is unfortunate that we were unaware of some things and I think it is unfortunate that you guys were unaware of certain things. We talked about all these things the last time but it was never implemented and again it is short fused issues so it makes it tough.

Mr. Kagawa: Thank you for your work. I want to make sure that you try your hardest to make sure we get that TAT back.

Mr. Pacopac: Absolutely.

Mr. Rapozo: Tort Liability Bill, SB 554. It is very important to the County. Set to Sunset this year. I am reading this and it says in both Senate and House it was referred. Can you give us an update on that? That was one of the more critical Bills for the County which we called you.

Mr. Matsuura: The tracking report shows three (3) or four (4) different Tort Liability Bills that were out there.

Mr. Rapozo: This was the one that granted immunity to the lifeguards that are trying to protect our State beaches and obviously the personal injury attorney lobby was strong, it has been strong, and they set a Sunset date of 2014, and we needed to get that removed so we can protect our Counties' from liability when they were out protecting the State's butts at the State's beaches. It is a very simple measure and this is not a HSAC package, it was a County package and all we ask was that they remove the Sunset date so we can enjoy the immunity. I am reading this update as if they both were referred but I am not seeing if it was heard or anything.

Mr. Matsuura: There was a similar Bill, House Bill 1024 and I do not see it on this tracking list.

Mr. Rapozo: I do not see the other one on this list.

Mr. Matsuura: There was another Bill, House Bill 1024 that did get a hearing but again that was another one that did not move. I am not sure if there is another one that they stuck it into or if they are going to wait for next year.

Mr. Rapozo: They cannot wait until next year because the Bill will Sunset.

Mr. Matsuura: I think it Sunsets next year.

Mr. Rapozo: 2014, right?

Mr. Matsuura: Yes.

Mr. Rapozo: For some reason, I thought this had to pass this year and that is why they deferred it last year because the action had to be taken this year but if you could follow up. There was also another one that was going to allow people to sue... and it is not on here either, I do not think it made our packages but it would allow people to sue on public lands should they gotten injured but I am not concerned about that one now. I am more concerned about the beach

liability. I am not sure if this is the same Bill number but the text is correct it states, "Makes permanent the protection from liability for county lifeguards, counties, and..." and this is critical as we go into budget because if in fact that Bill is going to Sunset then I believe the Counties' will have to remove the lifeguards, our County lifeguards from the State beaches.

Mr. Pacopac: Because of liability.

Mr. Rapozo: And that is the ramification Statewide as I know from the other Counties at HSAC that it would be a possible ramification that the Counties would remove their County lifeguards, and County emergency people from the beaches. I would be very surprise if that did not pass this year.

Mr. Pacopac: We could get that information and run through the same process that the Chair wants to run and we can add that on to the list to the Administration and get the results back to you.

Chair Furfaro: We will do as such.

Ms. Yukimura: James and Scott, you are doing work as the County's Lobbyist as JS Hawai'i Consultants?

Mr. Pacopac: Yes.

Ms. Yukimura: Your consulting firm is hired by Syngenta to lobby for them?

Mr. Pacopac: Yes.

Ms. Yukimura: When there is a conflict, what is your process?

Mr. Pacopac: If there is a conflict on a Bill that say the County is pushing and now Syngenta now is pushing, it has not come up and that is why I said the Bill that Gary talked about, Syngenta did not approach us that it was an important Bill for them. We have not pursued that Bill as far as for Syngenta.

Ms. Yukimura: But if it is our basic lobbying principle as a County that we do not want Bills that limit local jurisdiction or override local jurisdiction then we are not talking about a single Bill, we are talking about a philosophy...

Mr. Pacopac: A whole bunch.

Ms. Yukimura: ...and principle. Part of your scope of services is to identify, monitor, and report on Legislative measures and actions that may affect the County or identify measures of interest to the County. Arguably it is your job to let us know when these Bills come up.

Mr. Pacopac: If we have a conflict, yes. We do but if there is a conflict, we will notify the Council and also Syngenta that there is a conflict.

Ms. Yukimura: Because as was mentioned, there are many Bills that are trying to limit the powers of the County.

Mr. Pacopac: Correct.

Ms. Yukimura: They appear to be initiated by Syngenta and other such companies and so to me if your job is one (1) to let us know and help us fight it, there is an inherent conflict of interest.

Mr. Pacopac: There would be if we were pursued by Syngenta to pass the Bill.

Ms. Yukimura: Are either of you attorneys?

Mr. Matsuura: No.

Ms. Yukimura: Because the ethical rules for attorneys are far more reaching than what you have articulated, you know what I mean?

Mr. Matsuura: I agree. If there is a conflict, we would inform both parties about the conflict and would go from there. Depending on the situation and what needs to be done, again, I know this particular Bill that you are talking about, we had not gotten notice from either party.

Ms. Yukimura: Either the Council or the Mayor?

Mr. Matsuura: Or Syngenta.

Ms. Yukimura: Yes.

Mr. Matsuura: That it was an interest to either side. At least for us...

Ms. Yukimura: I think what is intended in the wording of the scope of services though, is that you would tell us. That we should not have to go looking for it and that somebody like you who are experts in tracking are there at the Legislature would be able to let us know.

Mr. Matsuura: I agree; however, because the County has taken on its own tracking system, part of what the contract calls for was kind of lifted to a certain point and said, "Look, we have our own tracking system now, we are on top of these things, and we will tell you what we want you to do."

Chair Furfaro: We appreciate that comment but the tracking system is the Legislative website, Scott. You are telling me about something I have no idea the Administration has qualified for, has shared with this Council, I think the point that is coming from Councilmember Yukimura is that there is a mutual responsibility and ethical responsibility for you folks to be sharing that information with us. That is our expectation. I will put it in a communication to the Administration as a concern but more importantly you have responded to the question as it is some new technology that the Administration has... well share it with us, we do not know what it is.

Mr. Bynum: Exactly.

Chair Furfaro: And it does not seem like you folks can tell us exactly what it is. Let us leave that question there because that seems to be a serious matter between this Council and the Administration. We are tracking stuff on the Legislative website that is what we are doing. No need for anymore discussion.

Mr. Pacopac: Got it.

Ms. Yukimura: I think that it is clear that there is a real confusion about the roles and responsibilities of client and lobbyist and that has to be clarified. As well as the terms of the timing of procuring your services and the expectation for discussions beforehand so you understand why these issues are so important to us and how we are being affected by it. It also does factor in to how we select our lobbyist which is not a Council's *kuleana*, that is the Administrative *kuleana* but it seems to me that potential conflicts of interest have to be considered in the selection of consultants.

Mr. Bynum: I heard you loud and clear that you did not get a notice to proceed until one (1) month into the... who... why not? Do you know why? Who in the Administration do you interface with?

Mr. Matsuura: Our contact has been through the Office of Boards and Commissions.

Mr. Bynum: Your contact was administered by the Administrator of Boards and Commissions?

Mr. Matsuura: Yes.

Mr. Bynum: Last year when you were here, we also had the Administration here to answer questions and I know we are really jammed today but we are going to need to follow up on this issue. Again, miscommunication could be... it is not about placing blame, it is about getting better in the future. I was not aware that you guys were employed by Syngenta, I have some concerns about that. Can you tell us what your contract amount with Syngenta is or is that proprietary?

Mr. Matsuura: I do not think we would like to discuss it at the table right now.

Mr. Bynum: Okay. I do not know the rules of lobbyist but do you have to disclose whenever you are testifying on behalf of anyone, right?

Mr. Matsuura: Yes. Our fees show up on the Lobbyist website as well.

Mr. Bynum: Right, so that is public information.

Mr. Pacopac: That is.

Mr. Bynum: And I do not have to discuss it now but you answered that question. I mentioned the Building Code Bill and last year they passed one that said Counties, you have to waive certain permits. We responded to

that. We were the only County that responded to that with our own Legislation, work with our own Building Code people but it was a Hawai'i Crop Improvement Association people who came up here lobbying on our Bill to implement that. Last year we thought we won a victory because they did not exempt the code itself, right? It said, you do not have to get a permit but you have to follow the code and that is our position, I think, as a County. Then we find out that there is this Bill that was almost ready to pass and it had been far down the road to exempt building codes that say, you can build these structures and you do not even need to follow the codes that protect citizens but we found that out from the people lobbying for that Bill. Were you hired to lobby on that Bill?

Mr. Matsuura: No.

Mr. Pacopac: No.

Mr. Bynum: Because it clearly was something that came from the Hawai'i Crop Improvement Association.

Mr. Matsuura: We do not work for Hawai'i Crop Improvement Association.

Mr. Bynum: You work for Syngenta.

Mr. Matsuura: Yes.

Mr. Bynum: Same/same.

Mr. Matsuura: It is not mutually exclusive... we do not exactly all the (inaudible).

Mr. Bynum: The President of Syngenta is also the President of Hawai'i Crop Improvement Association, right?

Mr. Matsuura: Yes.

Mr. Bynum: It is generally that they will have similar positions, right?

Mr. Matsuura: They may.

Mr. Rapozo: I would ask that we go through this first and then we will have time to talk about Syngenta and everything else.

Chair Furfaro: I think we talked about this enough unless people that are asking those questions are buying my dinner tonight. Because we are going to be here all night and we can certainly put some of these things in Mr. Hooser's Committee at a future date.

Mr. Rapozo: I also agree that we definitely need to address this with the Administration because I have a bunch of questions for them. I apologize for the late notice to proceed, that is embarrassing and I just found out when you told us. It is like sending a quarterback into the game at the second half. And Boards and Commissions, why would you go to Boards and Commissions, I

would have no clue. Kaua'i County Package; Collective Bargaining Unit for Lifeguards, briefly. Killed? Died?

Mr. Matsuura: Yes.

Mr. Rapozo: Solar Water Heating; Kaua'i County Package
– that died as well, right?

Mr. Matsuura: Yes.

Mr. Rapozo: PLDC Repeal?

Mr. Matsuura: I think the Bill that showed up on this report...

Mr. Rapozo: And remember when we submit the package, it is with the Bill that was available at the time when we did the package. We know how the Legislature work, those things morph and other Bills morph. I think in general, what is the status on the PLDC action at the Capitol. I understand that a lot of the Legislators, Senators, and Representatives a like changed their positions and started to support the Repeal. I understand that they are trying to pass other Bills that will do the similar thing but just camouflaged with other text and language but in general, where do we stand with PLDC?

Mr. Matsuura: I cannot find the Bill, I thought I had the Bill.

Mr. Rapozo: I do not need the Bill number.

Mr. Pacopac: Your Bill...

Mr. Matsuura: I think that issue is still moving.

Mr. Pacopac: But the Bill that you submitted is already gone.

Mr. Rapozo: That one died but I understand there is other Bills that...

Mr. Pacopac: The issue has morphed into another one.

Mr. Rapozo: I think for the public's benefit when we submit a Bill number that is at that time. This package is sent in prior to the session but in between we submit our package and the time these issues hit the floor at the Capitol, it could take on different looks, different numbers.

Mr. Pacopac: Exactly.

Mr. Rapozo: But I think what is important for the public and for us as we understand the concept is still alive, that in fact, there is still movement at the Capitol that is moving towards the Repeal of PLDC. I know it is still alive because I was there last week at the Capitol and they had a hearing and unfortunately I had to leave to catch a flight, so I was not able to stay for the entire hearing. That is one as well that we should be getting an update. Mr. Chair, I will

bypass the HSAC items at this point, I am more interested in the County's Package items, if you do not mind. The one that I do want to ask about and I know somebody told me that they killed it was the uncontested traffic funds. That one died again? That is one, I guess, that if we could get suggestions... that thing shows up every year and I think it is a good opportunity to let the public know that the County receives no money from the traffic tickets. Often times we hear that is why the cops are out giving tickets to make more money for the County and I think it is important to understand that the County receives absolutely zero funds from traffic tickets. What we were asking is uncontested traffic... in other words the people who just pay the fine, we wanted a very, very small percentage and the State continues to say no. We are talking about the tickets that the County police give, the County Prosecutor prosecutes, it never sets foot in a State building and we foot the bill. This year, we left the percentage blank – let them fill in the blank and they killed it. I think the public needs to know that we do not get a penny from that and we are just trying to get it and it is died again.

Chair Furfaro:

Mr. Rapozo, to be fair, please pose a question.

Mr. Rapozo:

I am just asking, what is the status? What do you suggest we do to eventually get that moved?

Mr. Matsuura:

This is another one that is all tied into revenues and that is why it never goes anywhere on the State level.

Mr. Rapozo:

That is all I have, Mr. Chair, as far as the list.

Chair Furfaro:

Currently the County receives four point seven (4.7) million dollars in what is the Public Utilities Tax, and we receive another three point nine, eight (3.98) million as it relates to Fuel Taxes. There are rumors that these are being looked at as well by the State to take them from us?

Mr. Pacopac:

Correct.

Chair Furfaro:

Where do we stand on the Fuel Tax and the Public Utilities Tax? I mean this is in lieu that the utility company does not pay his property tax, what is going on there?

Mr. Matsuura:

It was another area that the State was looking for revenue that they went to. It is still an open item. I think it is one that received a huge amount of opposition from the Counties and I would have to say... we thought that the utility thing was going to died early but...

Chair Furfaro:

It is still alive.

Mr. Pacopac:

Yes.

Mr. Matsuura:
alive.

It is still a revenue issue that they kept

Mr. Pacopac:
until the end.

They are trying to keep all the revenue items

Chair Furfaro: Somewhere along the line you folks need to convey to the Legislators because I have in my sixteen (16) pieces of correspondence, if we are willing to maintain improved average rates like for the visitors, we already agreed to cap our money. Any additional tax on them building the rate already goes to the State. We are looking at all these champion rates for the average daily rate in a hotel room tax, our amount is capped and they are the beneficiaries of marketing. The minute you stop deteriorating the experience on the neighbor islands and so forth, there is a tendency to pay less for their average daily stay and maybe even lose some occupancy. They need to realize that this is not found occupancy going forward. You need to convey to them that I just think this is kind of a one shot deal because there has been all this pent up demand. Can you convey to them the importance of this tax to the Counties can you convey to them that this utility tax is in lieu of us getting any property tax from the utility company? It has got to be conveyed and I would like to see if you can do it for us.

Mr. Matsuura: We have conveyed those settlements, those come from the Administration as well and we just have to keep pounding away at it.

Chair Furfaro: Both are alive as we question right now?

Mr. Matsuura: Yes.

Ms. Nakamura: I wanted to go back to a couple of HSAC items. The County does not have representation on the Employer Union Health Benefit Trust Fund Board and the Employee Retirement System. The State has all the representatives and all we are asking, every Mayor, every Council said that we want to have representation on the Board to protect our assets that go into those funds. Where are we on those two (2) sets of Bills?

Mr. Pacopac: They both did not make it.

Ms. Nakamura: They both died, okay, again we would like to have some follow up on what you folks did about it, what went wrong, and why this continues to be a problem when there seems to be, especially from the Counties a unanimous support.

Mr. Pacopac: I think we could add that to what the Chair would be sending to the Administration and we can get that information to you.

Mr. Hooser: Who is your regular contact with the Administration?

Mr. Matsuura: Paula.

Mr. Hooser: How often do you communicate with Paula?

Mr. Matsuura: It depends. Sometimes daily... just depends on the different issues.

Mr. Hooser: Do you believe it is your responsibility under the contact that you inform the County when there are Bills that would impact the County that are not HSAC Bill... it is not on this list, other Bills... is that your responsibility?

Mr. Pacopac: Yes.

Mr. Hooser: And you have been doing that?

Mr. Pacopac: Yes.

Mr. Hooser: Did these other Bills just fall through the cracks?

Mr. Matsuura: I suppose.

Mr. Hooser: Thank you.

Chair Furfaro: I will be sending over a question to the Administration because in the past the liaison was Mr. Heu as the Executive Assistant to the Mayor. That has changed, I think, we got to really have someone that is even sitting in the Office next to the Mayor, because these things move so quickly. When did that change?

Mr. Pacopac: I think it always was...

Chair Furfaro: No, it was not always.

Mr. Pacopac: Maybe two (2) years now.

Mr. Matsuura: We have always worked with Paula.

Mr. Pacopac: For the last two (2) years. I think it was John before that.

Chair Furfaro: I will try to get some clarification. I think it should be multiple people to tell you the truth.

Mr. Pacopac: Just do it early.

Chair Furfaro: Members, questions? Can I secure a date that you will be back to the Council because I understand that by contract there are two (2). I believe it is going to be May 8.

Mr. Matsuura: I think that was the date. There was already a prescheduled date from what I understand.

Chair Furfaro: You think it is May 8?

Mr. Pacopac: Yes.

Chair Furfaro: Gentlemen, I will copy you on my correspondence to the Mayor. I want to thank you and I will open it up for public comments.

GLENN MICKENS: I agree with Tim and all Councilmembers that one of the most important issues that these two (2) consultants should be fighting for with the power that they have is our TAT money, specifically with HRC 4, SR 3 and SC 3. I do not quite understand, it seems repetitive some of these

numbers. Each year we sweat this issue and wait to see if we will retain the millions we get from the TAT. Hopefully we can get a Bill passed that will make our share of the TAT a permanent one and not have to continually fight for it. There are a lot of very important issues on this measure tracking report and I believe that the public in particular needs a lot of clarification on these issues. You can probably ask about ninety (90) somewhat percent of the people on this island about this thing and I do not think they will be familiar with it. I know I am not. I try to stay on top of it but it is impossible. I think the public needs more clarification, more education on what is actually going on. I guess these gentlemen, I presume they are doing the best job they can but when something gets killed over there, it seems to be beyond their power. It just seems that we should have more leeway on what is going on.

KEN TAYLOR: It is really disappointing here today to hear that within the internal workings of the County, we have a serious problem. What goes on at the State level moves so rapidly that we cannot afford these kinds of miscommunications and this is one of the reasons I have always been supported of changing our structure of government to a management type of government because of this kind of activity would not have taken place under those circumstances. I really think that as we move forward that each of you have to seriously look at moving forward with some changes in government structure and to eliminate this kind of activity year in and year out. Thank you.

RICH HOEPPNER: Mel, your question about the PLDC, I was over last week and testified and the Bill that is going forward is House Bill 1133. I testified on that because that particular Bill repealed HRS 170-1(c) which was Act 55. There were seven (7) words that repealed that Bill but the rest of the Bill is nine (9) pages long with statutory material that is almost identical to what was in Act 55. You were right, it is a rehash of Act 55 putting... Senator Solomon demanded that the three (3) people on the PLDC; the CEO, the Planning Director and the Planning Specialist were transferred over to DLNR. So, you got three (3) people and all their material that is transferred to DLNR and DLNR is given in those nine (9) pages of statutory material, they are given the same powers that PLDC had with some exceptions. They eliminated some of the language but I just wanted to clarify that for you that are what is happening to PLDC right now. Thank you.

SANDY HERNDON: Good morning. I have a question that I would like for you to put forth as part of your request for the information from this company that seems to be representing both entities. I do not know how other people define conflict of interest but I think for the County's sake, we need to know how they define conflict of interest and that has to be part of that information that comes back to us. Thank you.

Ms. Nakamura: I just want to say that your testimony is well taken and I think that we need to look very closely at future contracts and ensure that a conflict of interest provision is included. Thank you very much.

There being no objections, the meeting was called back to order, and proceeded as follows:

Chair Furfaro: I want to let you folks know that I will also be sending over to the County Attorney this January 23, 1991 interpretation of the Council's role versus the Administration's in hiring a Legislative Coordinator and/or

a lobbyist. I would like to get some more clarity in those questions. I will be sending those over.

Ms. Yukimura: I would like to ask Chair and IGR Chair if we can have scheduled a conversation with the Administration as soon as possible to ask questions about the management, the retention of these consultants, and also the communication and process for both getting and giving information.

Chair Furfaro: I want to let you know that I did mentioned Mr. Hooser's Committee and what I would like to do is I would like to get some communication and interpretations on this legal opinion so that we have it when we meet with them in Mr. Hooser's Committee.

Ms. Yukimura: I think we should get a County Attorney's opinion on that. I believe it is... if it says that the Council cannot hire a Lobbyist, I believe that is inaccurate because I think part of this job of this Council is to lobby on issues that we feel are important. That is within the scope of our responsibilities and we should be able to hire our own Lobbyist, if we want to. I think it is very important to get that opinion clarified or we revoked one way or the other. Whatever the opinion may be, I still think we will need to have this conservation. When it happens, I do not mind waiting for a response from the County Attorney's but I do ask that it be done within the first six (6) months of this year. One (1), so we are still fresh in terms of what has happened in this session and two (2), we are way ahead of the curb in terms of planning for the next session.

Chair Furfaro: I am obviously in agreement with you because I dug this out. I do not agree with you on the date. I would like to have some interpretation back from the County Attorney by May 8 when our Lobbyists are here and we can address those particular questions.

Ms. Yukimura: That works well for me.

Mr. Hooser: I want to say I am furious but I will say I am disappointed. As much I am tempted to focus on the people that the Lobbyist firm that the County hired, I believe that ultimately it is the management of the Mayor's Office and Administration that is responsible for this. I know it is a complicated process but we paid sixty thousand dollars (\$60,000) for four (4) months worth of work and I do not believe we got the... near the value. Worse than that bad things can happen and bad things may happen as Bills go through that were not being monitored or addressed properly. It is just very disappointing in the quality of what I would expect and I think it is very clear that one of the main responsibilities are to monitor Bills and report any measures that impact the County and at least ask the County's position on those issues. I do not believe that was done and the conflict of interest between Syngenta and the County is clear but the responsibilities are to report and give people a heads up. In the Legislative process sometimes you do not want to give somebody else a heads up, so to be in a position of having to consult with two (2) entities and give advice to two (2) entities that have possibly contrary positions, values, and desired outcomes, I think is just inherently a conflict. One of the biggest issues of the year that this Council before I was elected, participated in and we passed a Resolution on and it has been in the newspaper almost every day, the PLDC Repeal is being scheduled for tomorrow. Tomorrow in the Ways & Means Committee for a vote and it could be passed up to the Governor's Office immediately and so that was one of our priorities and it is on top of the news and I was surprised that our consultants were not aware of that as

well as some of the other issues. I look forward to having additional discussions in my Committee as well as a response to your communication as well.

Mr. Kagawa: I would like to disagree with some of our Councilmembers. I feel like I have known Mr. Pacopac and Mr. Matsuura for over twenty (20) years as I worked here for the County Council. They have many various contacts at the State Legislature and to be lobbying for us for sixty thousand dollars (\$60,000) and they are going for our continued thirteen million in TAT to me is a small price to pay. With the State economy, the way it is, we have to make sure that we have experience people with various contacts in there such as our Vice Senate President Ronald Kouchi, who is close with Mr. Pacopac. I think it is a very wise investment for us to have them as our consultants. I applaud the Administration for keeping their employment. Should they be representing us regarding Bills that involves Syngenta or the Corn Seed Companies, etc.? No. But regarding their other lobbying efforts, I do support their continued success for the County. They have been successful for us last year and I am hopeful that they will be successful again. A lot of these negative comments we are hearing at the County level regarding the State hearing these Bills that involve the Corn Seed Companies, it is a Legislatures job to put worth controversial issues and it is their job to listen to both sides and to make a decision based on what the public wants. It is their job to hear it. We here get offended when we see Bills that we think are bad or good. I have not prejudged Corn Seed Companies, they followed the Federal laws, they follow the States law before them, and those are the agencies that have the expertise in those areas. We do not have those doctors to make those decisions whether they are causing our environment and making our people sick. Again, I just want to thank Mr. Pacopac and Mr. Matsuura.

Mr. Bynum: I think it has been pretty clear I have been critical of the State Legislature and the lack of Sunshine there and I will continue to do that because every year I see glaring examples of highly inappropriate legislative practices. When you can put through a Bill like the PLDC last year that exempts the Counties from authority we have had for many years and that can happened in one and a half hours without any notice of awareness of anyone, there is a serious problem. I think the Legislature should apply the Sunshine Law to themselves the way that they apply it to us, to every Board & Commission in the State. They are going to say the way we operate, we would never get anything done because we only got to do it in three (3) months, yes, if they had to do six (6) day's hearing, like we do, six (6) days notice to the public, it would impact their work. They could meet year around like we do because the work of the people does not only happen in three (3) months. I am very concerned about the lack of coordination this year and I am not going to point fingers but we got to do a whole lot better job. When we ask about the PLDC that this Council passed a unanimously Resolution in opposition, probably one of the biggest issues in the State last year, and we ask our Lobbyist today what is the current status, they start looking through papers and say, "I think it is still alive." That is of great concern. And when I see an industry that has incredible power and access that I do not have as your elected official, I think we should all be concerned about that. To the Administration, let us work together of doing a better job of coordinating these legislative activities. It happens to happen when we are in the middle of budget and a lot of really pressing matters but the Legislature has had significant impact on the people of Kaua'i over the last few years. You are paying more of the burden, taxpayers of Kaua'i, to manage our County because the State Legislature comes in and changes long traditional financing arrangements because they are hurting. They should not pass the buck to us and make us have... suddenly have a crisis in

our County's budget and then say to us, "go ahead and tax your people with more sale tax or more GE tax." "We are going to take your money but County, you go out and you raise the taxes on your local people." Yes, we need to do a much better job.

Ms. Yukimura: I want to say that I am disappointed by the conversation today. I concur with Councilmember Kagawa that the TAT is very important but our package did consist of more than the TAT and there are many important Bills such as the PLDC Bill but even the Housing Bill which would take away our ability to provide affordable housing for our island and our County. I think we need to ask for more from our consultants and it is right now in the hands of the Administration to manage this contract, again, which is something that does not appear to be done well right now. I also want to say a conflict of interest is inherent in some of the issues that we are dealing with. I do not see how it can be operational so either we have to look at hiring consultants that do not have the conflict of interest or asking the present consultants to remove the conflict of interest. I am also thinking that in our Legislative Package, we need to not just talk about specific Bills but about certain kinds of Bills that we need to track and follow and maybe we have to put it in terms of County interests that need to be protected. As we have seen they can show up in all kinds of forms and it may give better guidance to our consultants.

Mr. Rapozo: I just like to focus on things that we can control because we do not control Sunshine Law unless we propose to change the Law. I agree, that law that exempts the Leg from the State Representatives from Sunshine, I think is flawed and that needs to be changed. I thought Mr. Souki was going to entertain it until he realized that it was going to affect them tremendously and that had gone away. My concern right now is about the management of the contract and the fact that and it was the first time I heard today about a tracking system. I know we did not fund a tracking system, so I have no clue what that tracking system is except the one that Mr. Furfaro talked about which is on the Legislature's website which is what we use. I am not sure where that came from and we definitely need to ask the questions. The other question is what happens when the Council and the Administration does not agree on an issue? What happens on the issues that made the Council Package but not the County Package because the Hawai'i Counsel of Mayor's disagree? You remember last year, the Mayor did not support the TAT, preservation action and that was last year. This year, they did but there was a Solar Bill that passed the County Councils Package but it did not make the Mayor's Package, how does that work in relation to our lobbyist. So, there are a lot of things that need to be cleaned up. The delay in the contract is unacceptable. I think back on all of the Council's initiatives, do you remember correctly at the last budget, it was the Council that encouraged the Administration to get the Lobbyist. It was the Council that said we need a Lobbyist. I am just thinking every initiative we have put forth whether it was a Planning Investigator, whether it was a Lobbyist, or the Geological Study of Salt Pond, all of the Council initiatives that go across the street, do not happen. Think about it. That needs to change and that is the frustration. The Lobbyists are here today, they get a late start and if you understand the Leg and how they operate, you got to get an early start. You cannot start late. I am embarrassed for them and it is tough, I know. What do we control? The conflict of interest issue has to be identified in the contract. It has to be spelled out in a contract if there is a conflict. I do not think, if you were to limit every Lobbying Firm in the State to represent only you, we could not afford it. That is the reality of life. You are going to have firms that have opposing clients but there has to be a structure set up in that contract like any attorney firm that you would set up a wall. It is going to be very

difficult to find a firm that is going to say, "okay County of Kaua'i, we will only represent you." Because some of our Legislative desires maybe competing with each other as well, it maybe in some fashion so to say one (1) Lobbyist cannot represent, I do not think it is practical in today's world, not the way the system is set up. I definitely agree that when we hire a Lobbyist, that the Lobbyist needs to act in the best interest of the Council of the County. That needs to be spelled out. If there is a conflict, there definitely at the minimum needs to be disclosure. There needs to be a disclosure and prior to the contract being written saying if there is a disclosure than the County has an opportunity to get out of the contract. Something has to be done. For those of us who have participated at the State Capitol it moves fast and it changes by the second that is why it updates every twelve (12) seconds on the website because that is how often things change. The ability to gut and replace Bills, something that I think is detrimental to all of us citizens here in the State, so definitely some work to do, Mr. Chair. I am hoping we will get the Administration up here to explain some of these questions as far as the contract is concerned. This is déjà vu through these discussions, last year as well. We just never seem to get it right.

Ms. Nakamura: I agree with all of the comments made here and we need to take a look at this further but also it is a systems issue within County Government to get a better system in place and better information flow. I think one (1) of the key pieces missing that I see is from the Departmental level. What are the top two (2) or three (3) priorities because there is a gap, we are getting that information in the course of the legislative session rather than up front and I think we need to be tracking it much more comprehensively than what we are doing now. I look forward to that discussion in your Committee, Gary.

Chair Furfaro: Members, as I mentioned I dug out the 1991 piece and sent it over to the County Attorney for some interpretation on these roles. I agree there are some problems in the system but the bigger problem that exists is the word urgency if we know we got to execute something at a certain date. This is not a first piece from us but the word here is urgency. I am also concerned with the notice to proceed and how long it has taken but I did correspond to the Lobbyist telling them that they had to be here by the end of May. Certainly before we end our budget session. Another concern for me is dealing with the TAT tax, that is thirteen million dollars (\$13,000,000), dealing with the franchise tax, the public utilities tax. Between those four (4) taxes, that is twenty million dollars (\$20,000,000) that we count on every year to operate our County; four point three (4.3) in the franchise tax, three point nine (3.9) in the utilities tax, thirteen million dollars (\$13,000,000) on the TAT tax. Without it quite frankly it is a very bleak picture for us to function forward. We will get some interpretation back, Mr. Hooser, and we will put something in your Committee in the very near future. Hopefully, we can work through these things. JoAnn, I always try to keep myself last and you are always having a way to raise your hand at the end.

Ms. Yukimura: I just want to say in response to Councilmember Rapozo that to my knowledge I do not think law firms set up walls. If there is a conflict, they do not take the case. The only place where walls are set up, I believe, is in the County Attorney's Office which is a unique kind of situation because it is a government agency that represents a lot of different entities. Thank you.

Mr. Kagawa: We are just assuming here that a conflict is involved with Syngenta and the County of Kaua'i. The County does not regulate

agriculture and the Department of Health. I am just troubled that we are making this link and there is no link. It is the State's responsibility. The County's responsibility is not regulating the Corn Seed Industry.

Chair Furfaro: I am going to be sending over to Boards & Commissions one hundred and one (101) copies of testimonies from seven (7) individual members to make sure that they have it and we can incorporate it in the Bills that have died as certainly red flag items for the next time around. There is a big question here not that we are promoting ourselves as what is known as the separate kingdom but certainly we do believe in our island and we need to take a different approach to stewardship and we are selected to the people for that purpose. So, there is a lot of dialogue and we just got to see what we can mutually agree on and go forward from there.

Mr. Rapozo: Chair, as you send your communication over as a follow up of these items, I would ask that we have a list of the State Legislators that voted on those measures to kill. I want to know which Legislators and more specifically to the ones that this Council supported.

Chair Furfaro: I will send a communication to the State Clerk's Office and in fact as for the voting records as such.

The motion to receive C 2013-127 was then put, and unanimously carried.

Chair Furfaro: I would like to take the item that we deferred with a couple questions for Lyle and this is on the rehabilitation of a couple of vehicles. Keep it short and we will decide if it will go to Committee or not and then I will turn the meeting over to Vice Chair Nakamura and we are going to take the item on the Sports Fields.

C 2013-124 Communication (03/15/2013) from the Budget and Purchasing Director, requesting Council approval to reinstate two (2) County vehicles previously taken out of circulation:

- #114, License No. CoK 1715, 2001 Chevrolet Pick-up
- #142, License No. CoK 1937, 2000 Nissan Frontier Pick-Up

Ms. Yukimura moved to approve C 2013-124, seconded by Mr. Bynum.

Chair Furfaro: Lyle, thank you for coming over. We wanted to get some clarification here on these vehicles that are being reinstated to the auto inventory and from there we will get an idea of if we will move on this communication or if we are going to defer to Committee. Could you first help us understand, these cars were put on what was going to be a list of vehicles that would then, I assume, come up for sale to the public removing all the identification and then a salvage credit would then be put into that auto allowance. If not, what made us rethink that these vehicles could proceed another two (2) years and I hope I helped you understand what I am looking for here.

There being no objections, the rules were suspended.

LYLE TABATA, Deputy County Engineer: First, to go through the process. When vehicles are slated to be replaced via our annual ordinance, the vehicles are selected and will be removed when the new vehicles arrive. We have recently gone through a reorganization of the Roads Division of Public Works and we find in our

efforts also to move projects forward. Vehicles that are slated or have been removed previously need to be reinstated. We have hired a Principle Project Manager to help steward our island wide resurfacing program and we also have other initiatives one of which was the storm damage, we hired another Project Manager. We need to have these vehicles so we can have our people expedite our program. In the meantime, we have vehicles coming in also to replace these and so need this top gap.

Chair Furfaro: So, these two (2) vehicles will continue in the active inventory, I assume they were renewed for licenses, fees, and so forth?

Mr. Tabata: Right.

Chair Furfaro: And you will continue to use them based on some assessments you have made on project management?

Mr. Tabata: As we need to keep moving projects forward and we have taken your advice and hired these project managers based on project funding available, we need vehicles for them to get around and follow up all the work.

Mr. Rapozo: Were these vehicles not taken out of circulation?

Mr. Tabata: They are and we need them to get parked right now (inaudible).

Mr. Rapozo: When were they taken out?

Mr. Tabata: I need to get back with the exact dates.

Mr. Rapozo: That was my question is when we take them out of circulation, what do we do with these vehicles?

Mr. Tabata: They are parked. The process is that they are parked and they are transferred to a holding facility which is presently is Honsador and then when we have enough sufficient then we do the public bidding process.

Mr. Rapozo: Auction?

Mr. Tabata: Auction, yes.

Mr. Rapozo: And how long, you do not know? Was it more than a year ago, two (2) years ago?

Mr. Tabata: I have to get that information.

Chair Furfaro: Mr. Rapozo, maybe Steve, the Finance Director can answer that question.

Mr. Rapozo: Somebody needs to answer that. My question is if you are going to put a car in a lot for two (2) years, three (3) years for an auction...

Chair Furfaro:
find the best person.

I understand your question but I want to

Mr. Rapozo:
who can answer that question.

Well, whoever can answer it. I do not know

Chair Furfaro: Ernie, can you answer Mr. Rapozo's question? We are talking about retiring inventory, how do we go out for auction, and what do we do with the salvage credit?

ERNEST W. BARREIRA, Budget & Purchasing Director: We normally conduct an annual auction of all property and inventory in the County that has been determined as no longer needed. That has some assumed value and once that is conducted all venues are treated as normal government revenue under the control of the Director of Finance.

Mr. Rapozo: Are you aware of the communication on today, the two (2) vehicles that are being... the request is to bring it out of... I guess it was taken out of circulation?

Mr. Barreira: Yes, I authored that communication.

Mr. Rapozo: When were those vehicles taken out of circulation?

Mr. Barreira: I believe two (2) years ago.

Mr. Rapozo: Two (2) years ago and we are supposed to have an annual auction?

Mr. Barreira: Yes.

Mr. Rapozo: And we never had one (1)?

Mr. Barreira: We are not bound by law but under normal procedures, we normally do.

Mr. Rapozo: Okay.

Mr. Barreira: We had manpower challenges last year and deferred to this summer.

Mr. Rapozo: Okay. And these vehicles are low mileage, accordingly to what I am reading, it just says in good operating condition, low mileage and maintenance costs?

Mr. Barreira: Yes, sir.

Mr. Rapozo: And Lyle, the reason that we need these two (2) vehicles is because we hired two (2) more people?

Mr. Tabata: Project Managers, yes. Project funded positions which was dollar funded previously.

Mr. Rapozo: That funding comes out of the project budget?

Mr. Tabata: Yes.

Mr. Rapozo: How many other vehicles do we have out of circulation?

Mr. Barreira: I could not tell you off hand but I can get you that information.

Mr. Rapozo: Is it more than ten (10)?

Mr. Barreira: If we include buses?

Mr. Rapozo: Whatever we have.

Mr. Barreira: I would say that it a safe answer but I could get the specifics for you, sir. One of the things this touches on Councilmember Rapozo, was touched on by the Mayor in our Budget Message, where we are trying to identify ways to defer purchasing of new vehicles. If we can expand the life of our County fleet based on low mileage, and the fact that we have a vehicle that is not posing any dangers to the County employees or members of the public, this may be an effective strategy to bring down our debt service requirements that are involved when we purchase new vehicles.

Mr. Rapozo: I understand that and that is a great concept but this is the dilemma. You guys come to us two (2) years ago and say, "okay, we do not need two (2) vehicles and so let us take it out of circulation." You get new vehicles to replace those two (2) vehicles and then you come back two (2) years later and say, "okay, we need to two (2) back." So, now we have two (2) more vehicles in fleet. We are not accomplishing the goal or the mission of the ordinance. The whole ordinance was one for one, right? So, it is kind of weird to me that we would take two (2) out of circulation and store it, leave it there to rot... so, you get your replacement vehicles because that is what the ordinance says, "you get a new vehicle, you replace an old one." Which makes a lot of sense and then a few years later, you come back and say we need those back. What we were at a net zero, we are plus two (2) again. I think that is my concern.

Mr. Barreira: We are plus two (2) Councilmember Rapozo, but that is because compared to two (2) years ago, the nature of our operations mandated the manpower increases that occurred and they have vehicular needs. What we have done although we have two (2) vehicles back in service is we eliminate, while we will still have the maintenance, fuel, and related costs, we have eliminated the need to purchase new vehicles and I think that is what our intention is what we are trying to achieve in this plan.

Mr. Rapozo: Okay. Thank you.

Chair Furfaro: Any more questions on this item before I look to approve this item.

There being no objections, the meeting was called back to order, and proceeded as follows:

The motion to approve C 2013-124 was then put, and unanimously carried.

Chair Furfaro: Mr. Rapozo, I will be sending over a communication to Purchasing to reconcile the number of vehicles we have in the Base yard that are yet to be auctioned that we can take a salvage credit on.

Mr. Rapozo: Exactly, I want a list of all the vehicles including the Police because I see a lot of those old police cars in the back of the station, the buses, whatever we have and I also want to see what the value is. Those are the kinds of things that we got to take advantage of in the tight budget, you sell the cars.

Chair Furfaro: I do not disagree with you and we will send that communication over and if there is further action after we get the list, I will put it over in your Committee.

C 2013-128 Communication (01/03/2013) from Council Vice Chair Nakamura, requesting the presence of Diane Zachary, President & CEO of Kaua'i Planning & Action Alliance, and Glenn T. Kimura, President of Kimura International Inc., to provide a progress report and update on the Waimea Sports Complex, Comprehensive Economic Development Strategy (CEDs) Project: Ms. Nakamura moved to receive C 2013-128 for the record, seconded by Mr. Rapozo.

There being no objections, the Council recessed at 10:50 a.m.

The Council reconvened at 11:00 a.m., and proceeded as follows:

Chair Furfaro: As stated before the recess, we are going to take item C 2013-128 that deals with the report on the feasibility on the Waimea Sports Complex. We do have people signed up, am I correct?

Mr. Watanabe: Yes, we do.

Chair Furfaro: If there is anyone that wants to speak on the item, please come up and sign up. I am going to turn the meeting over to the Vice Chair and you can take it from there.

Chair Furfaro, the presiding officer, relinquished Chairmanship to Ms. Nakamura.

Ms. Nakamura: Thank you all for patiently waiting for this presentation. We have some representatives who worked on this project. I want to ask you to introduce yourselves and explain about George Costa's situation.

There being no objections, the rules were suspended.

DIANE ZACHARY, President & CEO, Kaua'i Planning & Action Alliance: We were contracted by the Office of Economic Development to oversee this project. Normally George Costa who is the Director of the Office of Economic Development

would be opening the remarks but he is stuck because of the road is flooded and he cannot cross the road. He has been delayed and maybe he will come before the end of our presentation but I am not sure. This is one of several projects that were funded to look at specific job clusters in the CEDS report. This specifically addressing the Sport and Recreation job cluster. We were funded to develop a Master Plan for the Waimea Sports Complex and at the same time to take a look at what the economics of such a complex would be so that we could understand whether or not it would be feasible to do. We formed a steering committee comprised with a number of people in the Waimea community. People from business, from education, from community members themselves and you will hear more about them in a little bit. They have provided terrific guidance for this particular project. We hired Glenn Kimura of Kimura International who is here with us and he will introduce his subcontractor to do this study for us. He has done a terrific job working very closely with us and with the community. With that, I am going to turn it over to Glenn Kimura.

GLENN T. KIMURA, President of Kimura International Inc.: I was basically the Planner for this Master Plan. With me today is my sub-consultant that assisted me with the Economic Development Study John Kirkpatrick who is with Belt Collins and Associate. As we make this presentation, I will turn over the part about the economic development to John to present. With that brief introduction that Diane gave, I would like to start the PowerPoint and we will just run through this really quickly.

We had a traditionally planning process that we went through, we looked at the existing conditions out at Waimea, we formulated goals and objectives, we worked with the community and steering committee to come up with a planning pallet basically what kinds of facilities and venues they would like to see out there, and then a companion study was to prepare this Economic Development Study. Throughout the entire process we sought community input. When we do plans, we traditionally look at alternatives, so what I did was do three (3) alternative plans. All of them looked at different kinds of venues, different sizes and then what we did also was look at how much they would cost and these cost for a very rough order of magnitude costs, just so we could compare apples-to-apples. Then in September 25 we had a community workshop at Waimea Theater and we had about fifty people attend and this was their first opportunity to look at the alternatives and we really wanted to get their input. We had a breakout session and basically they took all... we had maps all over the place and they could write on the maps exactly what they felt about each alternative. The whole plan was not to have them vote for an alternative, but to give us feedback. Here is a summary of what the community said and I have divided it into different categories. The first would be physical design and facilities. We had a soccer field and they wanted to move it to the west side of the baseball, for example. There was a strong support for football, track in Waimea. They wanted a covered basketball/volleyball courts for community events because right now they have outdoor courts. The trend now is to make these covered, not like gymnasiums but just have a roof over it with open sides. Other things that they wanted was concessions, bleachers, locker rooms, they wanted to make sure that the champion fields were gated so that you could collect revenues from that. I had different alternative designs with parking layouts and they all wanted the parking closer to the field rather than consolidate it. They did not want any parking along the highway, traffic lights, if it was necessary and you will notice that my plan has some water features and so there were some concerns about the water features regarding the child safety. Finally, architectural style: we felt

was really important for our alternatives because Waimea is really a cool, neat historic town and we wanted to make sure our architectural style matched that.

Some of the socioeconomic benefits, they all felt that Westside businesses and the entire island of Kaua'i could see some economic benefits from this sports complex. Westside people are generally supportive because it is a sporting community, they host a lot of invitational tournaments out there and there is common knowledge that sports are good for children and adults as well in terms of drug and alcohol-prevention, having good sportsmanship and also for physical health and well-being. In terms of economic benefits, if Kikiaola Land Company is providing land in some form or fashion, they wanted to make sure that there is support for Kikiaola land.

What is some of the negative impacts or changes to the community that they could anticipate? One was an increase in traffic. If there is that, they would like to see some traffic management recommendations. Obviously more people will come and they wanted to ensure that there is no net loss in community park and recreation assets. The existing Waimea Canyon Park is right next to the Waimea Elementary and Middle School and it is used heavily by the schools.

We wanted to see if the park was actually consistent with the Kaua'i General Plan. The Kaua'i General Plan was completed in 2000 and so we went through the document and there are a lot of statements in this that actually support a complex out here. Some of the statements including outdoor recreation with environmental tourism and sports facilities for example, enhancing towns and communities for the Westside. It should be noted and that it is a very sunny area, good climate with no rain and for Waimea expansion there was already talk in the year 2000 about expansion of the County park. In terms of the County parks program, they support all of these types of facilities and one that we should note is that they emphasized developing large regional recreational parks rather than many small parks.

In summary, why Waimea? Waimea already has a strong interest in promoting community events and festivals. We all know that the Waimea Town Festival is a very successful event and they host invitational tournaments and I queried my friends in Honolulu, for example, coaches, players, and so forth and those that came to Waimea really appreciated the hospitality that they had there. You have a very strong and supportive local business association that supports this project. You have year around sunny and dried climate, I do not know if it was raining in Waimea today but hopefully it was not. It is a forty-five minute travel time. It really is an easy drive from the airport compared to other venues, for example, we have the Central O'ahu Regional Park in the central part of O'ahu. It takes about an hour to get there from different parts of the island just because of traffic congestion. I talked to another coach and he said when he takes his girls soccer teams to the mainland, it takes about three hours for them to get to the venues that they are playing at. Waimea has many nearby attractions, you got Waimea Canyon, Kalalau Lookout, and other kinds of facilities out there. You have an existing inventory of accommodations but if you do a sports complex like this, we recommend that more budget-type of accommodations are built for participants. Finally, it is a town with strong local character that would provide an opportunity for people to appreciate a unique old style Hawaiian community.

We talked about how we can make the sports complex take on a Waimea style? We thought having a plantation style architecture and false-front buildings. For example, the picnic pavilions and comfort stations could look like that with

green wall and red iron roofs. The concessions and the park administration buildings could even look like some of the historic buildings that you have in the town. These are other views of the baseball press box and even the entry sign could take on a very rustic look. The idea is to create a sports complex so that participants, it becomes a very memorable event so they can come here, a lot photo opportunities for them to remember participating in some tournament. This is the preferred plan. It covers land area of about seventy-eight acres. The existing part down here is about thirteen acres and it is expanding out this way. This is the existing sewage treatment plant and this is the school. First, we are looking at baseball complex, we are looking at a quad-complex with two regulation high school/college type fields and one softball field and four-diamond complex. The idea is to have two of these fields as your championship venues, this one and this one. The others would be your practice field. We also thought that this softball at the existing park is a really iconic field there and there is an opportunity to retain that. Then we have two more softball fields here. The reason why we have so much fields is that when you host a tournament, you often have to limit the amount of teams that can play. So just for example, Kaua'i hosted the Senior Softball Tournament and you fielded fifty-three teams and you had to make a lot of makeshift fields at Hanapēpē Stadium just to get the tournament going. Something like this, you can also use other facilities but it makes for a more vibrant tournament when everybody is in one location. Also, having multiple fields is important because you need to have time for the fields to recover after they have been used. So, when you scheduling tournaments throughout the year, it is good to have other fields. Multipurpose fields and covered basketball courts, we are looking at that in the existing park. After the first diamonds are built, then we have the opportunity to take out the existing multi-purpose baseball fields that are there. They are youth, senior baseball, and girl softball diamonds in this location. By taking them out, we have a nice, big broad field that could be used for soccer in the interim because we do not want to displace the kids using that field for soccer right now. It is also important for the school to have their PE and other kinds of sports events. During a major event, major concert or something like that, this field could be used for the festivals or if you have a major tournament and you have a need for overflow parking, that could also be used as well.

Another thing that rose up in terms of the desires of the community was a track and field and this would be a regulation track and field. It would have enough space for eight lanes, your high jump, triple jump, broad jumps, pole vaults, and all the other kinds of regulation of things that you do at a track meet. The other item, too, was that could also double as a football stadium. Finally, we are looking at the soccer complex and that would occur on this end. We have enough space to provide two adult soccer fields and some youth fields for different age groups. Soccer goes by two year differences in the different age groups, so they all have different dimensions.

With that, we need to circulate, so we are looking at a network of bike and pedestrian paths as shown in red here. That also doubles because you need to comply with ADA requirements for handicap and you need to provide access for people to get to different areas. Having a lot of bike and pedestrian paths creates a nice place for the community to enjoy, exercise, ride their bikes, and we have integrated into that the proposal for the West Kaua'i Path which is along Kaumuali'i Highway. This will all become a big major network. Then the other component would be that you would need to have structures, so we have bathrooms, pavilions, picnic pavilions, and other types of buildings such as support building, administration buildings, score towers, and things of that nature. Cars need to

circulate and park so we have the parking laid out in this fashion, with the roadway on the *mauka* side so that we avoid the need to have any kind of parking problems along Kaumuali'i Highway. We have over fifteen hundred (1,500) total parking stalls here which would be built in phases according to each of the complexes. That would hopefully be sufficient for the events that occur there. Finally, we are looking at landscaping, and you will see on this plan that I have these blue lakes, these are actually, we have a need to study the flooding and drainage issues for this site. After a comprehensive drainage study is done, these could be lakes or it could be dry bioswells in which you have retention ponds or things of that nature. I do not know exactly what they will look like but we do know in advance that we need to address that issue.

In terms of phasing, the first thing that we always like to do is build something first and not displace somebody else. What we want to do is build a four-diamond baseball complex with the first phase, come in with the second phase working on the existing Waimea Canyon Park, and I should note that at any time if funds are available for example, if there was a desire to build the cover basketball courts, that could occur before phase one. As long as it goes in line with the overall long range plan. The third phase would look at some more softball fields in this area, two more and then phase four, the football and track, and then finally, phase five. In your handouts, we had an error, we changed the phasing titles around a little bit, so that is why we gave you another sheet of paper.

How much will all of this costs? We looked at the entire project at full build-out in today's dollars, and it comes up with a price tag of forty-five million dollars (\$45,000,000). Baseball comes in at about six million dollars (\$6,000,000). Track and football; four million dollars (\$4,000,000). Soccer; three million dollars (\$3,000,000). Basketball; about one point three million dollars (1,300,000) or so. Structures and that is spread out throughout the whole plan and those are the restrooms, the pavilions, all the different structures that you need for each venue and that comes up to a pretty hefty price tag but those are essential items that you need for the complex. Bike and pedestrian path; come up to about two point nine million dollars (\$2,900,000) and that is an extensive bike network that goes throughout the whole area. Parking, roads, landscaping, and engineering to round out the tab. The first phase is the baseball/softball complex that would be about fourteen million dollars (\$14,000,000) the second phase going back to the existing park is about five point eight, three million dollars (\$5,830,000), softball for phase three is about five million dollars (\$5,000,000), track and football is about eleven million dollars (11,000,000) and finally the soccer in phase five is about nine million dollars (\$9,000,000). What I would like to do now is turn over the presentation John Kirkpatrick who will go over the Economic Development Feasibility Study.

Ms. Nakamura:
question for you.

Glenn, Councilmember Rapozo has a

Mr. Rapozo:
land acquisition?

Regarding the cost, that was not including

Mr. Kimura:

No, it does not include that.

Mr. Rapozo:
you.

That does not include the land, okay, thank

JOHN KIRKPATRICK: I am with Belt Collins Hawai'i LLC. My background is in economic and social impact studies, above all here in Hawai'i, I did a little work in Guam and the mainland. I have looked at projects in all inhabited areas of Hawai'i, except Ni'ihau. These have include the soccer complex at Waipio Peninsula on O'ahu, baseball training complex that was proposed for Kapule, golf courses, golf residential developments here there and everywhere, and I have done some work on resorts including the current Turtle Bay proposal which is going to be taking up too much space in your newspaper in the next year. A lot of my work deals with community impacts, economic impacts, fiscal impacts, revenues and costs for State and County governments. In some cases I have done the market study and in other cases I get to work after somebody else that has done a market study, master plan is finished and I am doing economic impact studies. Doctor Agrusa who came in front of you, I guess it was in January or February, he studied many more events of this type all over the world. My experience only complements his, in other words, I am here in Hawai'i and I have some understanding of how Hawai'i people act and how mainlanders who we entice to come here acts, how they spend, and I have some experience with the successes and limitations of facilities here on the island. Kaua'i Planning Action & Alliance hired Kimura which hired by company to assess economic development potential of the sports complex, Glenn has taken you through it. He took you through the community discussions that shape the complex and that also we heard too.

What did the economic assessment contribute? Well, we tried to identify cost over time of operations of the complex, we have identified revenues for the County and for the economy of Kaua'i from a sports complex. We assessed whether the complex would contribute to the economic development for Kaua'i. Obviously this is a matter of trying to figure out things in some detail. The complex involves construction costs, Glenn has taken you through that and then you get into operations, marketing, organization, and day-to-day work that has to happen to make a complex a vibrant place where lots of things go on. I kept this slide because I want to really stress that a sports complex succeeds because people make it happen. First, the County does a great deal of work, supports it, operates it, and then people have to make sure it gets used in a the way that you would want it used. That is to say that it supports local sports, local events, local tournaments, and things that bring in people from outside. For that to happen, not only does the County have to do a lot of work, so do the local backers and they have to make sure that the local tournament organizers make those happen. A lot of aloha get spent, a lot of volunteer effort get spent along with the bucks that the County puts out and this has to be both recognized and has to be counted on and stressed to make this venue really work. What do you get back? Community use and well-being, has been stressed already. Encouraging local athletics, resources for local events. You get back aloha from all over the State and from people from outside Hawai'i. I have had a real pleasure working on this because the reaction people have to... go to Waimea for sports is a wonderful experience. It is a wonderful experience because it is Waimea, it is Kaua'i and because Waimea people have made it really nice. I want to make sure that we get the people from O'ahu to spend more money on Kaua'i but I do want to count on that experience still being wonderful and I think it can be. Monetary benefits which we will get to is direct spending – tournament fees, spending onsite for food and so forth and above all offsite spending; going to the super market, lodging, driving around on Kaua'i and then there is indirect and induce spending, I will talk about that a little bit. More important is developing a program. Looking at it as something that would build up and be a continuing program for a successful complex. You already have two very strong events in the Waimea, the Invitation Softball Tournament. That is very well known and very well

liked and then the Waimea Town Celebration. You can expand those softball and associated baseball events. I heard far too often from Glenn and from everybody else about the baseball alumni tournament for high school alumni. Why is there not a softball alumni tournament because Lord knows that softball alumni, the lady's softball teams really enjoy the Waimea Invitational and I would like to see the Waimea Alumni Invitational start up as soon as possible and all those nice 20-year old ladies are going to come and they are not going to be in quite as close confines as the 16-year olds. They are going take more rooms and they are going to spend more money. I have a slightly different attitude to sports than some of the other people here and I think that is why you wanted me here. You also have local and interisland tournaments baseball and softball. Local tournaments can be expanded very quickly, interisland tournaments as soon as you qualify by having the facilities, you get your place on the roster. The roster may be once every four years, once every five years but certainly Kaua'i has just as many right to host these tournaments as Maui, Big Island and O'ahu does. So, we are talking about youth tournaments, high school tournaments, adult, and senior tournaments, a lot of these go on rotation and if you have the facilities, then you are on the rotation.

We go on to stadium events. Again, high school and youth football and track, this is important. It is not a big money raiser because I am not expecting you to bring in people from the mainland for track meets. I would like to, but I do not know how to get you to that position. Again, football, it is going to be important to have a football venue for Waimea High School whether this is going to have an interisland implication, I do not see it yet, so be it. Soccer events you have and you can expand. That is mainly for youth and it is mainly Kaua'i. I should say here speaking of conflict of interest, I coach/referee and play soccer and I thought this was a great idea and my buddies, who are soccer organizers and so forth, I had a great time talking to them but when it came down to it, we focused on what could be done best at Waimea and what was going to be effective at Waimea and it was clear that you have competition from other sites; Waipio Peninsula on O'ahu, you have on Kaua'i the Vidinha Stadium supported by Lydgate and having more soccer out at Waimea was just not going to be a game changer. It was not going to make this a soccer mecca. So, Okay? Softball, baseball, it is not what I am going to come for but it is what a lot more people are going to come for. So, if you focus on Waimea, you have the ability to build up tournaments and build up activities there. As soon as you can, if you are marketing this complex, you can think of it as a venue of camps, clinics, outdoor activities by visiting groups, and special tournament events for off island leagues, there is a interisland wastewater softball league. The wastewater guys when they have their annual convention, you should be hosting it in Waimea at least once every four years. The architects and engineers on O'ahu have a league for softball and they also have money, so if we talk them into having a once a year off-island weekend of sports, happiness, visitor activities, bring the family, go up to Kokee; this is all possible. You have to find them, market them, and you have to deal with the fact that they are engineers and so they are not exactly the biggest spenders in the world but they are nice people and they will spend some money.

If this is marketed, if this is supported by the local community, and supported the County, this County operational and maintenance support which is important, you can develop a roster of activities that can continue throughout... some are every year, some are every four years, some are once in a lifetime events. There are vintage carnivals that draw people worldwide in softball and rugby for which this could be a venue. A venue basically once in a generation, but it is a venue that draws people from all over the world and brings them here, brings their

families, and maybe even make them interested in coming back. Bottom line cost, construction cost and land costs plus forty-five million as Glenn has said. Operational and maintenance, we took the cost here from your budget and tried to staff it pretty well. With the fully developed complex, we are coming out to about three hundred and eighty thousand dollars annually at current rates. Revenues which is where we are working at once we have our tournaments going, direct revenues to the County from tournament fees, to concessions fees onsite, would probably be fairly small because you are nice people. County does not really like charging very much for things, does not like charging tournament organizers, also if your concessions are local non-profits and local retain running a concession right there onsite, the County has not yet been in the business of finding ways to charge them for a great amount of fees. This could change. I was talking to the people on O'ahu about how they would like to think of ways of charging more money but sooner or later it just got too complicated and so your direct fees to the County are not going to be big. But where we do want to see things, see money spent is visitor lodging, food, travel around the island and all of that. Carefully separating out air cost as something that is not going to happen, looking at different budgets for different kinds of visitors which I will skip over for now, we end up with a quite credible full-time program of tournaments with direct expenditures coming in from off-island of one point one million. A little bit more interisland spending so from people from the other parts of the island are going tank up their cars in west Kaua'i so that is a more addition to that but obviously that is not what you are worried about. With the one point one million in annual stabilized revenues, there is interactive induced revenues which is based on simply looking at how the money flows through the Kaua'i economy and that comes out as another six hundred plus thousand dollars a year. That is one point seven million dollars annually. Contribution to economic development here, first, that is simply a lot more money then you are spending in operation and maintenance for four and a half times the cost of operations and maintenance. New attraction to the Westside, you bring in people for sports tourism, you bring in their families, it certainly could support other Kaua'i attractions and visitor facilities. The one thing we did in connection with this is try to talk to some of the people from other islands that came for the Senior Tournament and they first loved the venue, they loved Waimea and Hanapēpē. They were very happy to be here, they were interested in additional attractions, additional destinations activities. Basically, we sent out an survey and to my surprise the timing was terrible, we got about fifteen to twenty responses and talk to other people. But they said things like, "maybe next time, we should go to Ni'ihau." So, there was an interest with expanding, so adding to the activities in West Kaua'i could be part of a snowball effect. This is one piece in the puzzle of developing West Kaua'i as a stronger visitor attraction for interisland and oversee visitors. My annual cost of revenues, first take on this, it came out very gagged and that it because you get the thing that you develop some capacity for tournaments and that kind of activity and you start attracting them and then you go in the back of the line for when it is going to come back again in four years, five years, so there is going to be some variability here. I could have rescheduled things to make it look less gagged but I rather like the fact that we showed a variation from four hundred thousand to one million four hundred thousand, because I think that is quite realistic. The point is that as you get out nine, ten, eleven, twelve years out, you can stabilize with a range of activities, tournaments that is going to basically add to your local economy. The two things that are critical in looking at the economics of the sports complex, first, you build a sports complex and your organizers are so happy with it and they forget to schedule any tournaments to bring in anybody from anywhere else. This has happened on the mainland. This happens in places where basically you have a great deal of demand for sports locally and you forget the

reason why you did that was both community support and economic development. Economic development can get lost. You need to have commitment on the part of the County, organizers, and supporters that this is an economic strategy. In Waimea, you have that. In Waimea, you have this as a part of the thing that people are proud of and you have local organizations such as the West Kaua'i Business and Professional Association that in fact support it. It really makes a difference otherwise you are going to turn into a wonderful adjunct to the high school athletic department which is nice but it is not quite what we are talking about here. Second factor which is always the case is that this is Hawai'i, this is not Southern California. You do not have twelve million dollars or people and easy driving distance who can get in the SUV and track down to it. You have to get people from all over Hawai'i and attract people from elsewhere for something that is special. In order to do that, you have to attract both residents and visitors, you have to get repeated attendance and maintain excitement from year to year. You have to work with your community, with the County to create a destination and think of this as part of a destination. So, thinking of this as tying it into other visitor attractions, other kinds of activities that are going to bring other people in. You need everybody together on the same page, you need support and dare I say that you need to keep the cost down but I think that is not the problem that we are going to be worrying about too much because that has to happen. When I say, we are not going to worry about it too much, means, I cannot contribute too much but you are going to worry about that a great deal. Thank you very much.

Mr. Kimura: Let me finish up the presentation and then we will open it up for questions. Just to round out this presentation the next steps, in 2012, we did prepare the master plan and economic development potential study. We are now in 2013, we made a presentation to the Mayor and to you, right now. The other steps would be to negotiate the use of the land and secure funding for an environmental assessment. An environmental assessment would be triggered by the use of public funds here. Perhaps in 2014, get entitlements for construction and then seek funds from all possible sources. I should note that the land is zoned agriculture and in the agriculture zoned, parks are a permitted use, so you do not have to go through zone changes or anything like that which takes up some time. If all things are in perfect order then you could begin construction in 2015. I know that raised a lot of eyebrows about something happening so soon but because there is no zoning to change or anything like that things could happen very rapidly. We stress that things are going to be done in phases. The whole thing is not going to built all at once. I just wanted to point out that these are members of our steering committee many of whom are here today: Mike Faye, Peter Herndon was with us at the beginning and I wanted to make a note of that, Guy Ishihara, Jon Kobayashi who is the Athletic Director for Waimea High School, Representative Dee Morikawa, Lenny Rapozo who is the Parks & Recreation Director, Bobby Tanita, Aaron Uyeda, Dave Walker, and Penny Young who represented the business community. We had Ricky Tsuchiya, a recently retired Planner who was on the committee but only wanted to function as our advisor. With that, we have some contact information but we would like to thank you for giving us time to present this.

Ms. Nakamura: Thank you very much for the project team for briefing the Council and the public. We would like to open it up for Councilmembers for questions.

Mr. Kagawa: Glenn, just to clarify and I would like to put everything in a nutshell. It is forty-five point nine million for the facility, all the

phases. The land, do we have any estimates as far as what that would cost to acquire all the land?

Mr. Kimura: The land cost is not included but it is open up for negotiation. It could be through outright purchase, it could be through lease, or some kind of arrangement like that. I do not want to get into those numbers at this time because I do not want to make any type of statements that becomes set in stone.

Mr. Kagawa: I just like to see the whole financial picture and that is why I asked but maybe we can discuss that at a later time.

Ms. Yukimura: I do not think we can really analyze the project without a land cost included because that is part of the reality. I would like to request that you give us and, if outright, I cannot imagine that there would be a lease for a permanent thing as this. I would like to know assuming it is an outright purchase, what kind of cost we need to look at.

Mr. Kimura: Okay.

Ms. Yukimura: Could we look at the slide on revenues and expenses or cost. What did you say is the direct income to the County would be?

Mr. Kirkpatrick: The direct income to Kaua'i stabilizes at about one point one million, so that is...

Ms. Yukimura: No, to the County.

Mr. Kirkpatrick: Oh, very small.

Ms. Yukimura: You are talking about... this is...

Mr. Kirkpatrick: That is visitor spending is the big number there.

Ms. Yukimura: Right. So, it is not going to come to the County to pay for the cost of operating.

Mr. Kirkpatrick: That is correct.

Ms. Yukimura: And the County's operating cost which is three hundred eighty thousand dollars a year?

Mr. Kirkpatrick: That is my estimate, yes.

Ms. Yukimura: I do not even know and I will ask Mr. Rapozo, our Parks Director what our operating costs are for our entire County Parks budget but we are struggling with budget right now, so how would we even begin to cover that?

Mr. Kirkpatrick: I will let Mr. Rapozo answer that one. Of course it is the key question for you is... is this an investment that makes sense for the County? What I tried to be very, very clear about was that this is an economic development engine that is going to bring in a great deal of more money to the

island, let us be clear, to the island of Kaua'i, to the economy of Kaua'i then it is going to cost the County. The County as a business is not going to make money off of this either in terms of covering the construction or covering operations and maintenance. When we talked to County of Kaua'i, Department of Parks and when I talked to Parks people elsewhere, they are not set up to make money very effectively and your folks do not want to. They want to support activities.

Ms. Yukimura: I am not talking about making money.

Mr. Kirkpatrick: Okay.

Ms. Yukimura: I am just talking about surviving as a County in terms of costs and operations. If you can show me that we can break even, that is something but otherwise... then my...

Mr. Kirkpatrick: Okay.

Ms. Yukimura: I am just talking about surviving as a County in terms of costs and operations. If you can show me that we can break even, that is something but otherwise... then my question is, is there another place we could put forty-five million dollars plus because the land cost is not involved and get a return of investment better than what we are getting here?

Mr. Kirkpatrick: The simple answer is that I did not look at that. The obvious answer is if you have forty-five million and you put it in an interest account, you will get more money out of it than you do from this.

Ms. Yukimura: Are you kidding?

Mr. Kirkpatrick: I am not kidding. I am giving you a straight answer to your question.

Ms. Yukimura: If we put that money in a interest bearing account, we could make more than this?

Mr. Kirkpatrick: The County would directly make more money than we are talking about but the question that I heard here was and what I tried to answer is, "what are the impacts on the economy of Kaua'i of developing this?" We came out with a general picture of the impacts for developing the sports complex for the economy of Kaua'i.

Ms. Yukimura: Did you take into account the costs of infrastructure that might be required to make this project happen successfully?

Mr. Kirkpatrick: Yes.

Ms. Yukimura: If you have the level of activity that you need to bring in this amount, would it possibly include the need for more roads between Lihu'e and the Westside?

Mr. Kirkpatrick: We are not talking about a gigantic expansion in your tourist traffic. I think you saw this it was six thousand one hundred additional visitor nights. That is an increase and there maybe some traffic issues, certainly the environmental assessment is going to need to look at traffic

issues but basically looking at this very quickly... I did not see... this seems to be a very small increase in the total annual usage for your roads in the area recognizing that you have serious concerns there.

Ms. Yukimura:

How do you know that?

Mr. Kirkpatrick: By looking at the volume of traffic on the roadways that reported in the Department of Transportation report and looking at the number of people that we were counting and coming to support the complex.

Ms. Yukimura: Well, have you calculated the amount of traffic that would be generated by events in order to make it successful?

Mr. Kirkpatrick: I have in a very preliminary way, I have not done this as a traffic impact assessment.

Ms. Yukimura:

How many trips will be generated?

Mr. Kirkpatrick: If we are talking about an event like a tournament that is going to bring in people from all over Kaua'i, because that is going to have more people driving their own cars. If you have a local tournament that has sixteen soccer teams at the same time, that translate to sixteen times a minimum of ten cars, as many of twenty cars. So that could be sixteen times twenty is three hundred and twenty basically SUVs coming from all over the island at any one time or arriving over say a two hour period and departing over a two hour period. That is additional to your local roadways at certain hours usually on Saturday's and sometimes Sunday's.

Ms. Yukimura: Can you calculate for the number of visitors that generate one point seven million or whatever it is, what the traffic impacts would be?

Mr. Kirkpatrick: One can calculate that. I have not done that as a professional exercise.

Ms. Yukimura: But that may incur additional costs to the County and if so, that needs to be included in the calculation – the cost benefits.

Mr. Kirkpatrick: It certainly would need to be included in the environmental assessment.

Ms. Yukimura: This is part of feasibility because you want to know the true cost and the true benefits.

Mr. Kirkpatrick: The numbers we were talking about the three hundred, four hundred vehicles coming in on a day are much fewer than, for example, I think you have for the existing demand with the town celebration. This is not going to create a bigger peak than you already have. Hopefully it will have that at a higher level of activity on more days, lets us say, twenty to thirty more days per year.

Ms. Yukimura: During the town celebration the traffic is a major problem, so if you are having that more often that is going to be more impact for sure. That may generate the need accumulatively with other things, so that has

to be a part of the costs that is calculated if there is that impact. I am not assuming anything, I am just asking for someone to give me what the impact will be. Mr. Charlier when we talked about Po'ipū building out a thousand more units and if we are full with our room nights and six thousand more nights, I do not know how much that translates to more units, but he said a thousand un-built units can be expected to generate ten thousand trips daily. I am going, that means ten trips per household, how can that be, a day. But actually going to work, coming home, the cleaner comes or the postman or whatever and you start seeing the trips that are generated. I am not an expert in this but I am saying that this could be an impact that is part of this that we need to know about. If the money is spent, forty-five million dollars in another venture, economic development venture, what are the costs, what are the benefits, and what is the ratio? I think we need to see that.

Ms. Nakamura: Councilmembers, we have a lot of people here who would like to testify on this matter and I was wondering whether we can get through the testimony first and then come back to your questions. Would that be okay with you?

Chair Furfaro: I would suggest you let people testify first.

Ms. Nakamura: Okay.

Chair Furfaro: Because we do have a lunch break at 12:30 and some people may have to leave and we can continue discussion ourselves.

Mr. Rapozo: And we have public hearing at 1:30 as well.

Ms. Nakamura: Okay.

Chair Furfaro: Let me make sure that we all understand, we have a public hearing at 1:30 and I announced that at the beginning, we have a legal consultation in Executive Session at 1:45 and a second legal consultation in Executive Session. I would suggest you have public testimony.

Ms. Nakamura: We will excuse you for now and ask that you return later for more questions.

SHAWN & GUY ISHIHARA: First of all, we would like to thank the County for hearing us today. Guy and I are Westside residents and we are also business owners. We are here in support of the Waimea Sports Complex. Having a child that participated in sports year around, we have traveled to sports tournaments around Hawai'i and the continental U.S. We are always felt that Waimea would be an ideal spot for a sport complex. With very little rain, a lot of unused open land and a sports community, you would not only have the community backing but it would solve the problem of the declining economy on the Westside. Guy and I have strong business backgrounds and we know that if you plan, manage, and market a business correctly that it will succeed. You cannot stop it just building the park. You have to plan, you have to have proper management and marketing. A project like this has so much potential. We could be the focal point of venues not only Statewide but even Nationwide. When we were part of the Waimea Youth Baseball, we were planning a tournament, we had contacted an organization in the mainland and they had suggested that we go international, to Japan also. This was the Ken Griffey Jr. Foundation and they said the Japanese people will come, they love it here in Hawai'i and it is affordable for them. It is closer than

flying all the way to the continental U.S. The Waimea High School Softball Team holds a softball tournament every year that hosts dozens of teams Statewide. The UH softball team came down last year and they ran a clinic. The Coach stated to Guy and myself that he would love to do it every year. When we ran our tournaments for the Waimea Youth Baseball, people want to come to Kaua'i, they love it here. They love the Westside, they love the hospitality, they enjoy the venues, they do not mind driving, they drive from Kapa'a, from Kōloa, they just love it here. They want to come. I know it costs a lot of money and we were listening this morning to how the budget is so tight but I believe if you plan it correctly, if you manage it correctly, and if you market it correctly – marketing is very important, it will succeed and it will become profitable. Again, we would like to thank you for your time. I have a letter here from Waimea Canyon School Principle. I do not know if I should just hand it in or...

Ms. Nakamura: You can pass it to our Staff who can distribute it to us. Guy, did you want to add anything.

Mr. Ishihara: She said it all.

Ms. Yukimura: Thank you for your input, passion, and vision. I agree with you that you really have to have proper management and marketing. I was wondering how do you visualize that happening, and who would do it? Who would be responsible for doing it, and how much would it costs and who would pay?

Ms. Ishihara: The numbers, I do not know. I do not have experience in this kind of thing. We have done tournaments, like I said, on the Westside. It depends on how many venues you have going on at one time, you could have one person managing a Department of people or just one or two people could probably handle the whole area if you had somebody who was really organized. With technology now a days, it makes it so much easier to do, the cost of it.

Ms. Yukimura: I hope you are not saying that the County is doing it.

Ms. Ishihara: I do not know where the funding will be coming from.

Ms. Yukimura: And would it be, the Westside Business and Professional Group and, if so, they would have to ramp up their capability?

Ms. Ishihara: I do not know. That would be part of the planning process, I think.

Ms. Yukimura: In the presentation they talked about this area, you almost have to think about it as a visitor destination and I wondered if Waimea and the Westside want to become a visitor destination. What the impacts would be because part of the charm of the Westside, is that it is still the Westside.

Ms. Ishihara: First of all, Waimea is the... Westside is a sporting community. They support anything to do with sports. At the community meeting that they had in December, it was standing room only, you were there. There were over two hundred and seventy-five people there that is the most that I

heard of at any community meeting. To have that kind of support from the community like that, it is telling in itself.

Ms. Yukimura: I am not questioning the support, you are right, I saw it with my own eyes. It is just that there would be a lot more pressure for resort moderate level hotels and so forth, that is one of the possibilities and so the Westside has to think about that in terms of whether there will be pressures and whether that is part of the vision for the Westside or not. Even Kaua'i as a whole, my dad is ninety-two years old and he never envisioned what Kaua'i would be today...

Ms. Nakamura: Councilmember Yukimura if you could move it along because there are a lot of people and we have until 12:30.

Ms. Yukimura: Yes, okay.

Mr. Rapozo: How long have you folks been working with this plan with the community?

Ms. Ishihara: For the Steering Committee?

Mr. Rapozo: Yes.

Ms. Ishihara: A year and a half.

Mr. Rapozo: Has the community looked at all of the possible ramifications like the traffic because Councilmember Yukimura talks about a destination. Westside is already a destination, you get thousands of cars go up to the Canyon. Everyone that comes to the island, goes to the Canyon.

Ms. Ishihara: Right.

Mr. Rapozo: So the traffic is always going down there. And I want to hear it from you folks, the community, as far as I know I have not have any calls from the community to say we do not want this.

Ms. Ishihara: Right.

Mr. Rapozo: Have you heard any opposition or concern about this project?

Ms. Ishihara: No.

Mr. Rapozo: If you build it, they will come... is there any concern from the Westside community that, no, we do not want that?

Ms. Ishihara: We have not anything. Not from the Westside community, no.

MIKE FAYE: I am the Chairman of the Board of Kikiaola Land Company, the land of which this sports complex is proposed to be built on. I circulated a letter to the Council and it is basically to state our position. We became aware of this proposal sometime last year and got involved with the Steering Committee. Our community plan I was provided for some expansion of the park

and this has been before the Council and others in the various General Plan updates and so on and so forth, this is no secret. We also had a two hundred acre or so golf course planned as part of that community master plan. While the concept of a baseball/soccer sports complex is a significant change to our plans, Kikiaola was and is interested in starting the concept. We participated, as I mentioned, in the Steering Committee. Of course, we are very interested and concerned about the economic impacts of it and wanted to make sure that the Kimura International had a strong economic study as part of their proposal. It was great working with Kimura International and they showed us numerous benefits for the sports complex and we thank Glenn and his team for the vision. We also thank you guys, the County of Kaua'i for allocating the money and the resources in working with Lenny and others on this project. The Kikiaola Board reviewed the study at a recent meeting and I have to say, you have to note that the complex grew from a ten acre expansion to a sixty-five acres on our property. Perhaps one of the things that we should have talked about was some kind of remuneration for the plan and Councilmember Yukimura has been bringing that up and I am sure you will all be quizzing us on that further. Of course, that was a concern of Kikiaola Land, my Board of Directors, as well. We do have responsibilities to our stockholders to make sure that we just do not give things away. At this point in time, as a proposal, as a sports complex is presented, we cannot take a position one way or the other until several issues are resolved, including number one, consideration for Kikiaola's loss of the land.

Ms. Nakamura: Mike that was three minutes. Finish up and then we will go on to the next speaker.

Mr. Faye: Consideration of specific plans to mitigate some of the impacts of the noise and bright lights that this will bring to our kind of laid back resort. By the way, we do have a two hundred fifty unit visitor destination approval already for that property across the street. Consideration given to integrating the sports complex with the rest of Kikiaola's Master Plan. We need to see how that is going to look. More importantly our Board, wanted further consideration of a broader range of recreational and community uses than the current plan provides. We want to see a facility that the community could less passively perhaps use. To summarize it, Kikiaola remains committed to working with the County and the Waimea community to develop a win-win solution we can all be proud of and benefit from. Thank you.

Mr. Bynum: Thank you for being here. As we go through this agenda item today and I do not know if you will be here after lunch but I do have some concerns and one of them was what Kikiaola's position was on this, so, thanks for this clarification. I cannot tell you how many people have come to me supporting this thing saying that Kikiaola is going to donate all the land and Kikiaola is a major driver behind this. I am very concerned that we are not... you know creating great expectations that are unlikely to be fulfill at least in a timely manner. The Westside is an incredibly unique place but you have made it clear here that there are some issues in terms of the land owner.

Mr. Faye: Just like what the Council is concerned of, how much is it going to cost, what are some of the other impacts that are going to be. These are valid questions and I think as a responsible landowner and a landowner that is committed to the community there that we just need to work through some of these details. We want to look at it. You are exactly right, we do not want to have false expectations either.

Mr. Bynum: Right. So I just wanted to make sure that... were you aware that people are communicating that you have made a commitment to donate all this land?

Mr. Faye: I did not.

Mr. Bynum: Because I have heard that independently from three different sources. And my response was that it would be incredible because you have shareholders, as you said, you have a responsibility to them.

Mr. Kagawa: I just want to clarify. I have attended a lot of the meetings and I am from the Westside and I have never heard that from anybody that Kikiola is going to give it for free.

Mr. Faye: Okay, thank you.

Ms. Yukimura: Mike, you said something about consideration of broader range of recreational and community uses and you said something of less passively? Did you mean more passive?

Mr. Faye: More passive, I am sorry.

Ms. Yukimura: Okay. And thank you for reminding me that there is a visitor destination designation in your... it is basically your property of the Waimea Plantation Cottage.

Mr. Faye: On the *makai* side of the road, Waimea Plantation Cottages has currently fifty or sixty units and currently we do have a use permit to expand that to two hundred and fifty.

Ms. Yukimura: That is exactly what I wanted to know. How many were already built and how much more un-built units you had. Thank you very much.

Ms. Nakamura: Thank you, Mike.

JON KOBAYASHI: I brought some of my athletes here and they are nervous to speak on the microphone. We come in support of this facility. I think it is going to be a big boost for the entire island of Kaua'i. A lot of these athletes play in great facilities around the State and Kaua'i is one of the few islands that do not have these fantastic facilities. Every island does have it. I am a product of Kaua'i, I played football with Councilmember Kagawa and we are a product of the Westside. These are the same facilities that we played in. I can tell you every nook and cranny of Hanapēpē Stadium and the County does a great job in taking care of these facilities, they work tremendously with the Kaua'i Scholastic Federation and we really want to thank you for that. I think for these young people when they go off to the outer islands, to the mainland, and they see these things, like they say, if you build it, they will come. You will also bring recruiters to come here because you are going to bring in big tournaments, coaches that come and they are going to have the opportunity to see these kids. It is not only for the Westside, it is for the entire island. I will turn it over to the young people.

MIKEY RITA: I play for the Waimea High School Baseball Team. I support this complex because in Waimea there is good weather, there is no rain outs. Like if there is a game in Kapa'a today, it would be a rain out. It would be support the kids, it would change their minds like if they see a nice field, they would like to play baseball or a sport that would keep them in line.

GALEN ULU MATAGIESE: I play softball for Waimea High School and I am a current senior. I support this sports complex. I have played in the mainland and I have played also in Europe just this summer. I also talked with the foreign Country and they also said that they love the islands and they would love to come here because of our culture and how we accept everyone. It does not matter if you are Japanese, White, or Black, we still accept you as family. I feel that if you guys have the sports complex in Waimea, we have a huge culture mix of everybody.

Mr. Kagawa: Ulu are you going to play for UH softball?

Ms. Matagiese: Yes.

Mr. Kagawa: Do you think when Coach Perreira brings these big tournaments to Kaua'i, you think that it would help you to up your game?

Ms. Matagiese: It will help me big time because it is actually benefiting me to get ready for the big league and to have other schools to come here and play instead of just playing two teams over and over and to play it more.

Mr. Kagawa: I guess in following up, because I know more about the baseball side, I should know more about the girl's softball side but did coach bring down the best teams from the State?

Ms. Matagiese: Yes, he brought down the Division I defending State champions teams, like, Mililani, Punahou, they all came down every year and I must say, we put up a big battle on them for a Division II team that plays only two teams on this island.

Mr. Kagawa: Right, thank you, Ulu. Good luck at UH and I am sure all of us will be watching you next year.

Ms. Yukimura: Congratulations Ulu and for both you and Mike, your Athletic Director mentioned that there are facilities on the other islands that we do not have quality of facilities here and that you have played in them. Tell me about those facilities. Are they private school facilities or UH facilities?

Ms. Matagiese: Public.

Ms. Yukimura: Where are they?

Ms. Matagiese: Central O'ahu Regional Park.

Ms. Yukimura: Are those softball fields?

Ms. Matagiese: Yes, it is a softball, baseball, soccer, and tennis at that Central Park.

Ms. Yukimura:
facilities?

And Maui and the Big Island have the

Ms. Matagiese: I heard that now that Maui have the new title nines stadium for the girls, that is why this year our State tournament is being hosting in Maui instead of O'ahu. In the mainland, they have a lot of facilities all over and also in Europe, they also have the facilities.

Ms. Yukimura:
Mike, did you want to say anything?

It is great that you were able to play there.

Mr. Rita:

Not really, no.

Ms. Nakamura:
Yukimura. Okay, thank you very much. Would any other students like to testify?

SIENNA SANTIAGO: I am currently a Junior at Waimea High School and play for the softball team. I would really benefit, speaking from a softball player's view, we could actually host our tournament and actually play on softball fields and not have to play in Hanapēpē where we played these last few years because the men took our field and we had to play on baseball fields. In O'ahu, they have the Central O'ahu Regional Park where we play teams from all over the State and they have softball fields there where we can play. It would be nice to have it in Waimea near where everywhere everyone from all over the State can come and it would probably attract more teams and bring in more money and benefit us.

BRYSON CAYABAN: Good morning. I am a senior at Waimea High School and I am the Student body President at the school and on behalf of the students and for the rest of the committee, I would like to give my support as far as the complex. We have all been hearing about how it supports sports only, well, it also supports community events. Our school does a lot of activities both on campus and in the community as well. It supports a lot of non-profits such as the Kaua'i Walk-a-thon, the Kaua'i Relay for Life, we have jump ropes for hearts, the American Cancer Society. I am a proud member of the Hawai'i Project Advisory Counsel and we do a lot of events throughout the island, more so on the Eastside and I would love to see more events on the Westside. We have March for Dimes, we have Kaua'i Food Bank, and much more. It is very good to see that we can rally together not only on the Eastside but also on the Westside, getting together as an island. Not by separation of what side of the island we come from but together on the Westside and supporting awareness and being together, just as one. I am also a proud cadet of the ROTC program at Waimea High School, it is my fourth year. We do so much events throughout the entire island and we take pride in giving back to the communities. Having things come to the Westside also, it helps us not only just as revenue or generating economy but also just as ourselves.

Mr. Kagawa: Bryson as the student body president, I want to ask you this question this is huge question that we are all asked, how can we increase the enrollment at Waimea High School? When I was going there, it was about nine hundred. I think now, it is closer to six?

Mr. Cayaban:

Six hundred.

Mr. Kagawa: Do you think this sports complex could help drive the economy and maybe get more people to live in Waimea and make the enrollment higher?

Mr. Cayaban: Yes, my family background is all alumni's of Waimea and I am a proud member of my family. They told me stories that it is because of sports back then, also, education and just being well rounded students at Waimea High School. Having this complex will generate that for the future of the Westside and for the rest of Kaua'i. From my knowledge Westside is also known for the community efforts through the ROTC program, student counsel, and bunch more clubs on the Westside as well as throughout the island. By having that it will draw the students in future to come and attend Waimea High School.

Ms. Yukimura: Is that what the title nine sports field in Maui is about that girls get priority and they do not get bumped by the men?

Ms. Santiago: Probably.

Ms. Yukimura: There is actually a facility called the title nine sports...

Ms. Nakamura: Councilmember Yukimura, I believe that that was a title nine decision to fund that field.

Ms. Yukimura: Is that right?

Ms. Nakamura: Yes. Because the girls had to walk to another site off campus which was not fair and so the State put the funding into that facility. But we have more speakers and we need to move on.

Ms. Yukimura: Thank you very much for the information.

MARISSA HESAPENE: I am part of the Waimea High School Cheer Team and I think that this sports complex would be really beneficiary to all sports even cheer. Like Mikey said, there is less rain and we actually to support our football boys, we stand in the rain even though it is pouring. I think that would be really good and more clinics for cheer because cheer is actually going downhill for us.

BAILEY SAN AGUSTIN-NORDMEIER: I play soccer and softball and I am a junior at Waimea High School. It is beneficial to us because we get to have more fields to play on and we can have our own clinics and tournaments down there. For soccer, since three of our teams practice in Hanapēpē which is small for us because we are all crowded, it would be really great to have more fields.

Mr. Hooser: A brief question of Marissa and a disclosure, Coach Kobayashi probably knew that if Marissa asked me to do something, I would do whatever she would ask me to do. She actually hangs out in a photo in my Office. She is probably the most connected person politically in the room right now, you will see in the picture she is with the former Congressman, several Chairs of several Committees in the Senate.

Ms. Hesapene: Oh, you still have it.

Mr. Hooser: Yes, I still have it and it hangs in my Office. It makes me think about State Government as well as yourself and these are about schools and the question, since I am supposed to ask a question is that this is a facility that would benefit everyone.

Ms. Hesapene: Yes.

Mr. Hooser: Specifically the school which is under the umbrella of the State Government, so we would need you and the help of your students and the community to reach out to the State, perhaps. To use every influence that you have there because this is will costs a lot of money as it moves forward in whatever fashion. Would you be willing to go and lobby this State Legislators like you did me in 2009?

Ms. Hesapene: If it is with you. Yes, I would like to help continue this so we can actually have this sports complex. This will benefit our kids in the future and then it will have the facility for them.

Mr. Hooser: Okay, thank you very much.

Ms. Nakamura: To all the students who testified, thank you very much for coming and for weighing in and sharing your views and for the long drive over here to Līhu'e.

GLENN MICKENS: First I want to thank Diane and the gentlemen for their presentation and for all these fine students that presented their case. I thought it was outstanding and I am tickled to death seeing these kids being involved in whatever happens to be, whether it is sports or politics. Probably no one on Kaua'i is more of for this major sports complex than I am but I try to live within the real world. I take exception with several issues with this project. Again, with all due respect to the athletes from Waimea, if it can become a reality, a big if, it should be centrally located where the Vidinha Complex is now; airport, hotels, rental vehicles, etc. Yes, Waimea is a sunny area but in my fifteen years of being the official and arbitrator for KIF baseball, I have only seen one game called because of lighting in the area, it was down at Kapa'a High School, once. Weather has not been a factor in this last week one game was called and I questioned, I think the game could have been played there. JoAnn as a Mayor had a sports complex on her agenda, a long time ago, and I supported her 100% but as usual a project of this scope costs millions of dollars. I believe the figures are now \$45,000,000. That \$45,000,000 is probably a very conservative estimate. If this thing gets off the ground, it will cost a lot more than that. This propose project if done right is going to cost millions and again I am wondering why are we spending thousands of dollars on planning before we know if money is available for building as with the ball field at Vidinha, maintenance of a project of this size is a major factor. Vidinha is not manicured as a first class stadium should be plus no proper dugouts, no dressing facilities, no snack stand, no lights, no fences to enclose it and no proper press boxes, and no proper restrooms. That is what you are going to talk about when you talk about a proper facility, a first class facility that can draw tournaments, etc. We did not have the people who know how to maintain a facility of this size nor the proper equipment to take care of it. A look at the little league softball field and the baseball field, and football field at the Kapa'a New Park will show that we do not have enough labor or equipment to come close to properly maintain the facilities that we now have. Our total parks and recreation areas are being poorly looked at here and without a lot of funding, education, workers, and

purchasing of equipment it is senseless to pursue this venture. Though a first class sports facility baseball, soccer, softball, and a gymnasium that Mel once talked about a long time ago, to generate a lot of tourist and money for Kaua'i it is unlikely that it will ever be a true enterprise fund. Remember that our manicure Wailua Golf Course is still costing us \$1,000,000 a year and this was once an enterprise fund. I also believe that the \$45,000,000 figure that will be asked for is going to escalate a long way from there. I can certainly sympathize with these people from Waimea that are so passionate about wanting this facility down there, personally again, I think it would be better if we ever come up with this money to have it be in a centralized spot. We have to factor in maintenance and the people to build this thing.

Chair Furfaro: Just for an announcement here, the consultants are in fact on a flight soon. Staff, I am going to take this meeting to 1:00. Obviously we would hope to get the general questions to the consultants in that next half an hour. Will somebody also push back the calls to the legal counsel's that instead of 1:45, we will do 2:15 and instead of 2:15, we will do 2:45. Thank you.

Ms. Nakamura:

Thank you, Chair.

DAVID WALKER: I lived in Waimea since 1973. I have coached Cross Country and Soccer at Waimea High School, and retired about 2 years ago. I represent myself, West Kaua'i Business, and Rotary Club of West Kaua'i. Talking of Rotary, the first track meet I helped coach was the HP Faye Track in Kekaha and before TV thousands of people used to come, that is even before cell phones. Eventually the track became obsolete it was an unusual shape, only 404 yards, I do not know how that came out. They moved the track meet to Vidinha Stadium with more lanes and better facility. But we did try to get a track back in Waimea. We talked to the County, business people and at that time Richard Kawakami was Chair of the House and we wrote a letter to him and he said he would try to support that concept. Unfortunately, as you all know he passed away while hunting on Moloka'i, I believe. We have never given up the idea of having the track return. As Mike Faye eluted to earlier, they did have a track field, soccer and a football field inside it with this plan. We would like to see this complex go as a highly representative way that Waimea likes to live and compete and have fun. It would be nice to bring everything home to the Westside. As a West Kaua'i Business member, I would like to see the businesses really... I know the Ishihara do really well when the softball tournaments are on. A lot of places do and it is just a win/win and I know it is a lot of money but like we eluted to earlier, maybe the State and other people could be persuaded to fund it. I would love to see this complex go as shown.

Ms. Yukimura: As Shawn was saying which I do agree with, it really needs marketing to make it happen as an economic development factor. Who do see as doing the marketing?

Mr. Walker: Yes, I was listening to your comments and I think it is properly appropriate that West Kaua'i Business look at that. We do have a mainstream program, we are trying to get it started again to help with the merchants. Other businesses seem to be on track getting our market share of the tourist as they drive through Waimea, also talking about Kokee as the most visited site probably in the whole island, so we have to trap them with things. If this come to fruition, do something of that nature. We did have a full-time staff member for

mainstream and they would actually work at the best of the West Kaua'i Business community and mainstream.

Ms. Yukimura: I think it might be wise to look at facilities such as being envisioned and see where they are being successful with their marketing and what kind of staffing is required for that. It maybe more than one person, I have no idea.

Mr. Walker: It may be.

Ms. Yukimura: But how will you fund it? Are you going to come to the County for funding? All of those issues are things that, I think, need to be thought through.

Mr. Walker: Well business men know how to run businesses, so we have to listen to what they want us to do. I think it would have to be business driven.

Ms. Yukimura: I think so too.

Mr. Walker: That is the best way to make it and if you market well enough, like you said, the money will come and to justify the position or positions as they come up. We are going to look for grants, obviously, to help our ideas and to make our town very marketable. That is the plan and I agree with you.

Ms. Yukimura: Do you think you folks would look into the marketing that other "like" facilities have been doing?

Mr. Walker: Just like Guy Ishihara said or tried to do is market the athletics and sports and we will listen to them because they can see the benefits. I think everybody will buy into it and we would have to work at their request.

Mr. Watanabe: Just for the record, we have six (6) written testimonies that we received on the subject.

LONNIE SYKOS: Good morning and thank you for the opportunity to speak this morning. I found the presentation to be quite impressive from the view point on the amount of information that was given to us in a coherent fashion. But the thing that is lacking in the presentation is the focus on economic development which is a common occurrence in the economic development activities that occur through County funding. I used this project and our movie mogul as my two examples. We are told that aside from the development cost – it is going to cost us \$380,000 a year to run the sports complex or for somebody to run it. If I understood correctly, we are going to get about \$10,000 a year in direct fees. That leaves an enormous spread here to be covered by somebody which is the taxpayers in the current conversation. My question is, all of the benefit to the County economically that is presented by all the visitors coming and being here and spending money, where is the spreadsheet on the return on investment? See, this is all marketing... right? The spreadsheet is what matters. I attended the Small Business Development Course both on Maui and on Kaua'i for developing a small business. In my Maui Community College Business 101 Law Class there was about a dozen questions that if you failed any of those questions on the final, you

failed the class. One of the questions was, the answer to the question is... if it is not measurable, it is not real. All of the benefit to the County may or may not be true but where is the measurable return on investment? I have great sympathy for all the sports kids. When I was in High School, I lived on an island three miles long and a half a mile wide. I never engaged in a sports activity against kids. We played in the adult leagues because there were not enough kids to have kid's leagues. Who knows how good a soccer player I might have developed into had I been in a soccer program but spearfishing became my deal because that is what was really available to me. The lack of opportunity and providing that opportunity is very significant but in business class, it is measurable. I am simply asking that as all of these business development come to the Council, that the people that are presenting them should understand that if we cannot measure the benefit, we are not going to fund it or at least me, the public, I am not going to support it. I am very supportive of trying to create more opportunity for the youth on the island. In theory, this is a great idea but in today's economic world, I even object to the statement of fact that "if you build it, they will come." If they have their own community economic downturns, they are not coming if they do not have the money. Simply, I am asking the Council, please, where is the spreadsheet for the ROI? Thank you very much.

Ms. Nakamura: Would anyone else like to testify at this time?

TEDDY PERREIRA: I am the former Coach of Waimea High School Varsity Softball Team and thanks to Jon, he hired me, this will be my eighth year coaching. I am hearing all these negative things. As a coach, I think about the kids future and a lot of kids... probably a lot of their kids will be playing on that field. I am not talking about building one in Lihue. We got enough things there already. There are enough things on the Eastside. We got to have things down Westside. The whole Kaua'i will benefit this, I think. When we run our tournaments, we got a lot of off island teams, I think this year we had fifteen teams from off-island coming here, from Maui, Big Island, all over. We might have teams from the mainland next year because our tournament is on the internet, our High School Invitational Tournament. I think this will benefit the whole picture. I am not used to talking to guys like this, on the field I talk but not here...

Ms. Nakamura: There is a question for you.

Mr. Kagawa: I went down this year to the tournament, down at Hanapēpē. How much teams came down?

Mr. Perreira: Thirteen.

Mr. Kagawa: And changing the subject, you take care of the Waimea Canyon Park now?

Mr. Perreira: One thing too, they talk about the County workers, we got good workers on the Westside. If you check out our parks on the Westside, I take care Waimea Canyon Park that is my park. And the amount of tournaments we get every year, it is a lot. Like the girl said if we bang-bang with the Waimea Town Celebration, we got to move our tournament someplace else. It is not even a regular softball field, it is hard.

Mr. Kagawa: Teddy, you take care that park, do you have a helper with you?

Mr. Perreira: Yes.

Mr. Kagawa: That park is in tremendous condition, I want to thank you for that.

Mr. Perreira: Just one person.

Mr. Kagawa: Just one person with you. With all the rest of the phase that you see, in just your opinion, how much workers like you and your worker... how much additional maybe?

Mr. Perreira: Four guys.

Mr. Kagawa: Maybe four more workers. Thank you, Teddy.

Mr. Perreira: If we get equipment, we can make the park nice with good equipment.

Ms. Nakamura: We also have written testimony, would anyone else like to testify at this time?

Chair Furfaro: Just for the record, I will pass this over, I do have correspondence here from Dee Morikawa from our House of Representatives in support of continuing to develop this plan and it just says at the end of her presentation, "I will do what I can at the State in my capacity at the Legislature." I just want to put that in the record. Thank you.

Ms. Yukimura: Can we hear the consultants, since we only have ten minutes left.

Ms. Nakamura: Yes, and the consultants have a flight to catch back to Honolulu.

Chair Furfaro: I would like to remind members that we have confirmed times and a public hearing that we must adhere to.

Ms. Nakamura: Yes, you can ask one question Councilmember Yukimura and then Councilmember Hooser, can ask a question.

Ms. Yukimura: If the cost of oil rises how will tournaments be affected?

Mr. Kirkpatrick: Well we have seen a version of this in the last few years. We went through a very difficult time and the extent of participation of tournaments inter-island and from the mainland went down for a period and then came back up again. I know best because I participate regularly and the AYSO Soccer Tournaments that are held at Waipio and we go from before the recession we would have teams from California, teams from the Big Island, teams from Maui, a team from Kaua'i coming in. At the worse of the recession the Big Island came and nobody else did. Right now we are back having Big Island, Maui and we did not get anybody from Kaua'i this year but we will get there and

some California teams. Yes, changes in the economy do make these go up and down but they come back up.

Ms. Nakamura: Thank you. Councilmember Hooser, we have a minute or two before we have to do a tape change.

Mr. Hooser: The estimated operating cost, I was wondering why you do not have debt service, overhead, or a management line.

Mr. Kirkpatrick: It was looking at and simply to operate the park complex using the kind of budget figures you have from the Parks & Recreation Department. You are right I did not include debt service because debt service is a follow-up to the construction cost. This was operation and maintenance.

Mr. Hooser: Right, but the operation should include debt service, I would think, that is part of the measuring of cost benefits and overhead and management. We have more just the employees, there is management, County overhead...

Mr. Kirkpatrick: Overhead is included, I am trying to remember, no, I did not have a manager position, you are right.

Mr. Hooser: Right but in terms of a percentage of the Park Directors and all the other management like any business you would have some type of overhead, some type of management even if it is a percentage. I would think you would have debt service also, the debt directly attributed to the project that you are going to measure cost benefits.

Mr. Kirkpatrick: That is the total cost of the project, yes.

Ms. Nakamura: Unfortunately, we have to do a tape change and we need to take a lunch break. Our consultants are leaving the island but we may have some questions later for Parks & Recreation and for KPAA.

There being no objections, the Council recessed at 12:53 p.m.

The Council reconvened at 1:56 p.m., and proceeded as follows:

Chair Furfaro: Mr. County Attorney, may I call you up please?

There being no objections, the rules were suspended.

ALFRED B. CASTILLO, JR., County Attorney: Just for clarification I will be looking at Executive Session items number three and four. Okay, thank you. Council Chair, Councilmembers, good afternoon.

EXECUTIVE SESSION:

(Mr. Bynum was noted Recused from this item.)

ES-612 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4) and (8), and Kaua'i County Charter section 3.07(E), the purpose of this executive session is to provide the Council with a briefing as it relates to Defendant

County of Kaua'i in Tim Bynum vs. County of Kaua'i, et al., Civil No. CV12-00523 RLP (U.S. District Court), and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Council and the County as they relate to this agenda item.

ES-613 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter section 3.07(E), the purpose of this executive session is to provide Council with a briefing and request for authority to settle the case filed by the County of Kaua'i against Hanalei River Holdings Limited, et al., filed on May 31, 2011, and referenced in Civil No. 11-1-0098 JRV (Fifth Circuit Court) as County of Kaua'i vs. Hanalei River Holdings Limited, et al., and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Council and the County as they relate to this agenda item.

There being no objections, the meeting was called back to order, and proceeded as follows:

Mr. Kagawa moved to convene in Executive Session.

Mr. Rapozo: Mr. Chair, we do not have five.

Mr. Kagawa withdrew his motion to convene in Executive Session.

Chair Furfaro: May I ask Mr. Bynum to come back in for ES-613, please, so that I have five people for the vote. We are voting on ES-613, Mr. Bynum.

Mr. Rapozo moved to convene in Executive Session to discuss ES-613, seconded by Mr. Kagawa, and carried by the following vote:

FOR EXECUTIVE SESSION:	Bynum, Kagawa, Nakamura, Rapozo, Furfaro	TOTAL – 5,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Hooser, Yukimura	TOTAL – 2,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Chair Furfaro: Five ayes, very good. Is there anyone in the audience that would like to testify on ES-613?

There being no objections, the rules were suspended.

Mr. Sykos: Actually, it is not on 613 directly but after the Executive Session do you have more public business to attend to today?

Chair Furfaro: Yes, plenty.

There being no objections, the meeting was called back to order, and proceeded as follows:

Chair Furfaro: You should pack a sandwich on that note. This is very discouraging, I mentioned three times today how full our agenda was and how much extra time I gave on these other items and we do not have enough

people to vote without going back into session to vote on the next item. How about the third Executive item, can we read that now since Mr. Bynum can participate with us on that? Mr. County Attorney, may I ask you to come up again? Eddie, have you look through the building to find out if we have all members in the building actually present? Can you check again for me?

There being no objections, the rules were suspended.

Mr. Castillo: Mr. Chair, we have two additional Executive Session items that I could read and I could... depending on the order, I could call my Deputy's to come over.

Chair Furfaro: Okay, I would like to do ES-613 first but I want to get through all of the Executive Session postings that we can, so we can continue with our business.

Mr. Castillo: I will continue with one and two. Council Chair, Councilmembers, Al Castillo, County Attorney. Another matter for your consideration is ES-610 and ES-611.

ES-610 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4, 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), on behalf of the Council, the Office of the County Attorney requests an executive session with the Council to provide the Council with a briefing related to the procurement matter and recommendations as stated in the Management Advisory Report Finding 12-01 "Review Purchasing and Procurement Process of Independent Contractors," and related matters. This briefing and consultation involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Council and the County as they relate to this agenda item.

ES-611 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4, 92-5(a)(4), and Section 3.07(e) of the Kaua'i County Charter, the Office of the County Attorney requests an executive session with the Council to provide the Council with a briefing on the retention of special counsel to represent Defendant Chris Calio in Lynell Tokuda, et al. vs. Chris Calio, et al., Civil No. 13-1-0049 JRV (Fifth Circuit Court), and related matters. The briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

There being no objections, the meeting was called back to order, and proceeded as follows:

Mr. Rapozo moved to convene in Executive Session to discussion ES-610 and ES-611, seconded by Mr. Bynum.

The motion to convene into Executive Session to discuss ES-610 was then put, and carried by the following vote:

FOR EXECUTIVE SESSION:	Bynum, Kagawa, Nakamura, Rapozo, Furfaro	TOTAL – 5,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Hooser, Yukimura	TOTAL – 2,
RECUSED & NOT VOTING:	None	TOTAL – 0.

The motion to convene into Executive Session to discuss ES-611 was then put, and carried by the following vote:

FOR EXECUTIVE SESSION:	Bynum, Kagawa, Nakamura, Rapoza, Furfaro	TOTAL – 5,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Hooser, Yukimura	TOTAL – 2,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Chair Furfaro: We have five ayes. What I am going to do is I am going to send out some people to find the other Councilmembers so we can take care of this business at the designated time that we mutually agreed. So, we are going to be in a recess. That is a brilliant idea, Jade, thank you. Let us just continue with some business. Oh, no, here we go. I am now going to excuse Mr. Bynum.

(Ms. Yukimura was present in the Council Meeting at 2:05 p.m.)

(Mr. Bynum was Recused from ES-612)

Mr. Rapoza moved to convene in Executive Session to discuss ES-612, seconded by Ms. Nakamura, and carried by the following vote:

FOR EXECUTIVE SESSION:	Kagawa, Nakamura, Rapoza Yukimura, Furfaro	TOTAL – 5,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Hooser	TOTAL – 1,
RECUSED & NOT VOTING:	Bynum	TOTAL – 1.

Chair Furfaro: Okay, we are going to break, we have time specific on two items with two different attorneys. Let us go into Executive Session.

There being no objections, the Council recessed at 2:06 p.m.

The Council reconvened at 4:14 p.m., and proceeded as follows:

Chair Furfaro: We have actually finished two out of forty-seven items on the agenda. So, I think we are making some progress. I would like to take the Resolution that deals with the Fuel Tax first and then we will go back to Diane in Parks and after that we will try to finish some of the other communications. We have a lot of work in front of us here and tomorrow morning we start with budget. That is one of the reasons, I think, the agenda is so full because we are ready to go into budget mode. Can we read the Fuel Tax piece?

Resolution No. 2013-47, RESOLUTION DETERMINING THE COUNTY OF KAUAI FUEL TAX RATE AND REPEALING RESOLUTION NO. 2004-06, DRAFT 2: Mr. Rapoza moved to receive Resolution No. 2013-47 for the record, seconded by Ms. Nakamura.

Ms. Yukimura: Are we on the Resolution or the communication?

Mr. Rapozo: The Resolution.

Ms. Yukimura: So, we are wanting to kill this Resolution?

Chair Furfaro: I think you speak to the Chair. Which do you want to do and then I will have them reread it. Do you want to deal with the communication again?

Ms. Yukimura: I just want to be clear that we are dealing with the Resolution itself?

Chair Furfaro: Yes.

Ms. Yukimura: And I hear a motion to receive?

Mr. Rapozo: I did not hear anybody make a motion, so I made the motion to receive because I do not plan on supporting any fuel tax increase. I did not hear anybody make a motion, so I made the motion to receive which would kill it.

Ms. Yukimura: I would like to make a motion to approve unless we want to go through this vote first on a motion to receive.

Mr. Rapozo: We can have discussion.

Chair Furfaro: We can have discussion on the motion to receive.

Ms. Yukimura: Mr. Chair, I have an amendment to the Resolution and I cannot really talk about it unless there is a motion to approve.

Mr. Rapozo: I suggest we have the discussion and then we can call for the question on the receipt and if it fails then be free to make your motion to approve and amend.

Ms. Yukimura: Mr. Chair, I want to speak against the motion to receive. This is combined with the Bill that would... we need both the Resolution and a Bill to increase fuel taxes. This is a proposal from the Administration so that we can cover our costs. It is about paving our roads in preventive maintenance mode and if we do not pave our roads, the costs will be greater in the long run. It is like if you do not service your car regularly, you eventually have to reconstruct your engine and it is far more than the cost of regularly servicing your car. Beyond that I have with me this past Sundays Star Advertiser about *Road Woes* where it talks about how the people of the City and County of Honolulu are dealing with potholes and very bad roads. It says that Honolulu has the third of large cities... has the third worse roads in the Country and that in Honolulu, thorn up pavement is costing each Honolulu motorist between \$600 and \$700 each year in repairs, new tires, and added fuel. If we do not cover our repaving costs, we are condemning our people, our motorists to this situation which is not saving them any money at all. I think the increase in fuel taxes, I believe the Mayor's message said that it will cost \$7.00 a year more. Is that right Steve?

Chair Furfaro:
do you want to call Steve up?

You cannot talk from there, Steve. JoAnn,

Ms. Yukimura: No. I believe it is something like that versus hundreds of dollars in repairs of cars, it does not make sense. The fuel tax is something that will be paid by visitors who make up 20% of our defacto population. They do not pay the cost of maintaining a car everywhere so we are avoiding collecting moneys from them and then on top of that my hope is that part of the fuel tax increase will also go to expanding the bus services which right now we are not able to accommodate the existing need. The buses are so crowded that people are unable to board the bus and have to wait for another hour. Both bikes and bus passengers are not able to ride the bus when they need it. We approved this multi-modal land transportation plan but it is meaningless if we do not have moneys to move it forward. At minimum, we need to at least have a discussion, we need to hear the public's input on this, and we need to hear it from the Roads people and the Transportation people what their needs are and we have not gotten to those hearings yet. I think we need to at least pass the Resolution and Bill on first reading in order to at least have public discussion on this matter. That is all I am asking.

Mr. Rapozo: First of all, I disagree that if we do not raise the fuel tax to two cents a gallon, we are condemning the people. I think that is an offensive statement actually. I think what is condemning people is this consistent increases in taxes and fees. The Fuel Tax – it is a 15% increase. I am not comfortable at all in looking at what came over today and really we have not heard from Roads, we have not heard Transportation and if I was from the Administration trying to push this Bill, I would be here today. I would be here today to promote the reason why we need to pass this Bill and they are not here. I understand the normal process is first reading, public hearing... I can tell you that I have spoken since the budget message came out, I have not spoken to one member of this community that said, "yes, Mel, I support the Fuel Tax increase." I have not heard that. Rarely do I oppose a first reading Bill but I will today because I believe in my opinion when you look at the increases that are coming up that is going to be on the shoulders of our community, our citizens, and taxpayers and yes, to some extent the tourist – 13% to 15% increase, 52% vehicle weight tax, 41%... I mean it is outrageous. When you look at the reductions in expenditures that came across in the budget, I am not satisfied and I am not comfortable. We are taxing more and not cutting enough and there may be a point in time in this budget process that we may have to look at tax increases but not now. I am not comfortable and I am not going to support any increases in the fuel tax or any of these other taxes until I am satisfied that the Administration made enough cuts in expenditures and not just by dollar funding positions because that was a small amount compared to our budget. I am not going to support any tax or fee increases at this time.

Chair Furfaro:
ask you to come up?

Mr. Hunt since I see you in the crowd, may I

STEVEN A. HUNT, Director of Finance: Thank you, Chair.

Chair Furfaro: Are you holding the promotional idea of supporting the tax increases that the Mayor is planning to have to having presentations on the rationale behind it?

Mr. Hunt:
budget hearing process.

I know there is a revenue session during the

Chair Furfaro: That is a revenue session that I have set up as my first time as Chair and we will follow that. Is that when you are planning to market and promote this increase?

Mr. Hunt: This will also be discussed in the overview tomorrow.

Chair Furfaro: Well, tomorrow we will start with my overview and I will have some surprise commentary for you folks but you are going to plan to address it in the subsequent part of the day?

Mr. Hunt: I hope to be able to satisfy that, yes.

Chair Furfaro: Okay. It is very unusual for us not to approve something on the first reading and because this is a tax, it is based on a Resolution and an Ordinance. I probably will want to support it so we can have the discussion. Hear me again, I would support it so we can have the discussion. I want to make sure we also understand that you cannot arbitrarily say that visitors have... do you know how many registered cars are on this island?

Mr. Hunt: I do not know off-hand.

Chair Furfaro: 79,380 and the population is 68,000. How many of those cars are intended for visitor uses? Less than 7%. So, it will not be as if the visitors are paying that whole tax, is what I am saying. The ratio does not come out proportionately and by the way the 79,380 number I shared with you – it does not include trucks, commercial trucks, trailers and we only have 68,000 population that is all of my grandchildren now being able to drive a vehicle. That is a real concern that we have that many vehicles here. You are planning to give us your point of view in tomorrow's overview?

Mr. Hunt: Yes.

Chair Furfaro: And for that reason, I will not be supporting the move to receive. I just want to make sure that you are making a marketing effort to sell your concept.

Mr. Hunt: And if I can just add specific to the fuel tax, one of the audit findings related to that was specifically resurfacing island wide resurfacing which had been funded out of CIP bond and the audit findings that this was repair and maintenance. That had been moved to operations; again, it is moneys that are now affecting the operational budget that had to be accounted for.

Chair Furfaro: But in all fairness we used CIP Capital Bond money for repair and maintenance on Roads because we never were able to do any of the roads in a 7 year cycle as recommended because we do not collect enough. I just wanted to make sure I understand that you are going to sell your point of view to us right around the corner here?

Mr. Hunt: Yes.

Chair Furfaro:

Thank you very much.

Mr. Bynum: I just wanted to point out that this Resolution is not a final decision, it goes to public hearing, it is just a process that puts this particular fee proposal, so if you vote for this Resolution today, you are not voting for this fee to increase. It can be no fee, it can be increase, or decreased by this Council during our budget process. I respect Councilmember Rapozo's right to put whatever motion that he wants but if we are going to start debating each one of these things at Resolution and at the Bill and at the Public Hearing, we are... if we are going to have a vote to receive, I suggest and probably the next one will be the same, it is the same thing. Let us figure out which Councilmembers are willing to go with the regular process of putting this forward and making decisions in the process that we normally do so we do not belabor this too much today.

Chair Furfaro:

I do not plan to...

Mr. Bynum: I am going to move to approve this and this is not the final decision. This Resolution does not get decided today, it just moves to public hearing.

Chair Furfaro: Not to confuse everybody but a motion to approve is not on the table. So, if you want to approve it, you got to vote against the motion to receive.

Mr. Bynum: Right. I would suggest calling for the question.

Mr. Kagawa: It is an easy decision for me. I just filled up gas yesterday and the price of gas was about \$4.50. I cannot see increasing it fifteen cents at this time. It is ludicrous. I think we need to find other sources of getting that kind of revenue if we needed to balance our budget and I would be supporting the motion to receive, thank you.

Chair Furfaro: I would like to get to a point that I can call for a vote here on the motion that was made. And correct me, the Administration is talking about two cents?

Mr. Hunt:

Two cents, correct.

Chair Furfaro: I think a Councilmember wants to introduce an amendment that adds another two cents to get it to four but that is not the item right now. I look forward to your rationale tomorrow.

Mr. Hooser: Tomorrow's meeting is appropriate or inappropriate if this was deferred to tomorrow's meeting to hear their discussion?

Chair Furfaro: It is probably not appropriate to defer it to tomorrow's because tomorrow is the opening of the presentation. The format we follow now is the Chair has commentary about an evaluation of what they submitted and then we go to the Mayor's presentation.

Mr. Hooser: As I sit here today and I am not sure whether I will be supporting the motion to receive or not. I do not imagine myself voting in support of raising the fuel tax. One side of me wants to go ahead and say

that right here and let us move on and not go through the motions and take all that time. The Mayor is coming to us to raise fuel taxes, property taxes, bus fares, every single thing under the sun, I believe, except for golf green fees or something. We started our discussion today at this table with the brief discussion about the management of the Administration and the weaknesses of that management. During the course of the day it became a reoccurring thing. I do not want to raise fees just because we are not managing our money properly and that is the feeling I get right now after being briefed by the Administration and after being here for three or four months on the Council. To start off the bad voting to raise taxes, even though this is... one could argue it is just a parliamentary move to move it forward, it is still a vote "yes" on the issue. It is very difficult and it is a reoccurring theme. I am not into this raising taxes because we have not managed our money properly and that is what I feel at this moment. Until the Administration or others prove differently, that is what my position is going to be.

Chair Furfaro: I just want to make sure that we all recognized that let us be very sensitive to these quick assumptions you just made here. I do not necessarily think it is all about not managing our money, and I am directing that to the Administration. We all forget the wish list, how quick we have done things and have spent money. You know where the bus is at right now compared to 2009, the bus operation is \$2,000,000 high than what it was in 2009. There are 46 additional employees there and this Council voted it that has nothing to do with this quick comments about what Finance is not watching. Do I agree they need to watch a lot more, certainly, because they will hear from me tomorrow. We just got the first six months of the financial statement two weeks ago. How do we manage something on a regular monthly basis when we cannot see the financial picture? Shame on them. Shame on them. We have not gotten a forecast for the roads and the building permits till just last week, they were nine months behind. There is a lot of short comings that I can direct at them as well. But I want to make sure that you folks will be that critical, remember the things that you approved too. \$2,000,000 additional operating expenses for the bus and I will go through that tomorrow. Your comments are well taken but let us make sure that we all take inconsideration the things that we said, the community needed it and we voted for but to kill a Resolution at first reading so that we do not have a format to have healthy discussions on the pros and the cons, I do not think it is fair. That is all I am saying, I am not saying I am for a fuel tax increase. That is what I will be making my presentation in the morning to give a general overview of what is going on, all the moving parts, and I did that for 38 years of my business career. If there are no further discussion, I would like to call for a vote on this.

Ms. Yukimura: I just want to explain and it was explained to me by Staff, the motion would be to approve and then to amend and then we decide whether to amend or not. If we amend or if we do not amend, and if we so choose as a majority, we would then send the Resolution to Public Hearing, that is only way we can raise or increase the taxes or decrease if we want to. This is not a commitment to raise any of the fuel taxes, it just begins the process that is dovetailing with our hearings from the Administration and Councilmember Hooser, this is your first budget, right, since you were elected? So, for the last three or five budgets, we have had the Roads Division come before us and we have had many question about how they are assessing roads and how many miles they have to pave every year in order to do preventive maintenance. We have not gotten very satisfactory answers but in the last budget session, they told us about this new software, they promised that they would bring back to us this year a plan for resurfacing...

Chair Furfaro: Okay, I want to caution us. We are getting a lot farther along in this Resolution. The agenda item right now is the Resolution, JoAnn.

Ms. Yukimura: Yes, but bottom line...

Chair Furfaro: If you are going to talk about all of the particulars in technologies and so forth, that is a little beyond a Resolution.

Ms. Yukimura: I just wanted to address Councilmember Hooser's concern about management which I share. But we have not heard and if they have a system for doing preventive maintenance on an ongoing way, we may need to raise the taxes. All I am trying to do is preserve the option until we have heard all the information we need to hear and then make the decision but we cannot raise the fuel tax without this process. If we wait till we do budget decision making to introduce a Resolution, it will be too late and that is why we need to start it now.

Chair Furfaro: I agree with you. I do not want this thing keeps spilling over into budget and technology issues. Mr. Rapozo has the floor and then I am going to call for the vote.

Mr. Rapozo: I understand the process completely. There are certain things that I am comfortable with. This Resolution and the Bill will raise fuel tax, and I am not going to support it. We went through a whole year without paving any roads. I am shock to hear Councilmember Yukimura even proposing an increase in the fuel tax. I am thinking two cents is too much and I have a right to my vote, I have a right to kill it at first reading or at the initial posting and that is what I plan to do. I understand Councilmember Yukimura trying to convince us to change but I just want her to understand that I am fully aware of the process, I am fully aware that we need this to pass to go to the public hearing. My position is that I am not going to support it and I have yet to hear a person in the community come up and say "Mel, please raise the Fuel Tax" or "I support the Fuel Tax." Everybody is having a hard time and I am not going to support it at first reading, second reading or whatever... if in fact that is the mutual or the consensus of this Council, then it ends today. It is the democratic process, I do not have a problem with that but I am not supportive of any of these taxes to be increased.

Chair Furfaro: On that note, I am going to call for the vote. I just want to remind you that my commentary on this is based on the fact that I do not want this Council to start getting in a position that we kill items on the first reading. That is not fair to us that is not fair to the introducer that is not fair to the public when they want to give testimony.

The motion to receive Resolution No. 2013-47 for the record was then put, and carried by the following vote:

FOR RECEIPT:	Hooser, Kagawa, Rapozo	TOTAL – 3,
AGAINST RECEIPT:	Bynum, Nakamura, Yukimura, Furfaro	TOTAL – 4,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Yukimura moved to approve Resolution No. 2013-47, seconded by Mr. Bynum.

Ms. Yukimura moved to amend Resolution No. 2013-47 as circulated, as shown in the Floor Amendment which is attached hereto as Attachment 1, seconded by Mr. Bynum.

Ms. Yukimura: Number one of this amendment make clear the purpose of the Resolution and then suggest that four cents of the whatever is the total amount of County Fuel Tax would be used exclusively for the improvement and operation of the Kaua'i Bus. It proposes one cent more above the Mayor as the proposed increase and then a cent next year and two cents the following year. I propose these amendments not to get any commitment to do the actual proposed taxes but to give us the option after we have heard the Departments come forth and have a chance to hear what their needs are and how they would achieve them. Then to have the option as I said, the process that is prescribed in the Hawai'i Revised Statutes (HRS) requires a process that takes two months and if we do not start it now, we will not be able to act in a timely way at the time of budget decision making. All this is to give us some flexibility to act appropriately after we have heard the Department Heads and the Divisions report to us about their programs. If I can just read the first paragraph of the purpose statement, "Whereas, the purpose of this resolution is to ensure the long term viability of both the county road system and the public bus system, to reduce auto maintenance costs to the driving public by providing better roads, and to meet the growing demand of bus services that will help to reduce vehicular traffic on the roads as well as fossil fuel consumption, greenhouse gases, and household transportation costs." That is what these amendments help to clarify.

Mr. Rapozo:
Councilmember Yukimura.

Mr. Chair, I have a question for

Chair Furfaro:

Yes, you have the floor.

Mr. Rapozo: I am confused Councilmember because in earlier discussion you said the additional two cents prior to your amendment was going to be used for paving roads. In your amendment, next year three cents it will go up, the following year one cent, which takes it to four cents but you are saying the four cents will be used exclusively for the improvement of the bus.

Ms. Yukimura:

And if the Council so desires...

Mr. Rapozo:
saying.

No, no... this is what your amendment is

Ms. Yukimura: That is because I am trying to give us the outer limits and so if the Council wants to reduce it to three or zero or one, that will be our option but we can go up to four.

Mr. Rapozo: My question is your justification for voting against the motion to receive was that the two cents per gallon, you said it was going to be... it was a condemnation to the people if we did not support it because their roads would not get paved. All the increase here will go to the bus.

Ms. Yukimura: If you want to amend the amendment, you can do that now.

Mr. Rapozo: You are missing my point.

Ms. Yukimura: No. You do not see my point either.

Mr. Rapozo: Because you switched it.

Chair Furfaro: One motion, Mr. Rapozo has the floor and I did not get authorization to you folks to have dialogue across the table while I sit here and try to read what you actually said. Mr. Rapozo, you have the floor.

Mr. Rapozo: All I am saying is that Councilmember Yukimura said that we needed the two cent increase because the roads were not getting paved and it was a vote against the people if we did not support the two cents increase. But she is proposing a 6% increase over three years but the next two years of four cents a gallon would go exclusively for the improvement and the operation of the Kaua'i Bus, not to the roads. Obviously, I will not be supporting the amendment but this is a six cent per gallon increase over three years. Obviously, it is something I cannot support.

Chair Furfaro: Councilwoman, I have some questions for you. I see these increases three cents, one cent, two cents in the year 2013, 2014 and 2015. In the summary here of that six cents, four is for the bus and is two for the roads?

Ms. Yukimura: Actually if this thing passes, it would be four is for the bus and...

Chair Furfaro: Two for the highway?

Ms. Yukimura: Thirteen is for the roads because the total tax will be... so, if we choose not to increase the fuel tax at all...

Chair Furfaro: Just my question is... I have the floor. It is three cents in 2013, it is another penny in 2014, it is another two cents in 2015, a total of six cents. The next sentence says and four cents of the six will be used for the bus. Is the other two cents for the roads, is that your intent?

Ms. Yukimura: You mean the two cents that Mayor is proposing.

Chair Furfaro: No. That is in this amendment.

Ms. Yukimura: Oh, I see. Yes, it is two cents plus whatever is remaining, because there is already, right.

Chair Furfaro: Thank you. You answered my question.

Ms. Yukimura: I see what your question is, I am sorry.

Chair Furfaro: Mr. Kagawa, you have the floor.

Mr. Kagawa: I will not be supporting this amendment. As I stated earlier, the price of gas is just outrageous here on Kaua'i and it is going to get worse. The people have been paying more over the past fourteen years. It has gone up probably from \$3 a gallon to now almost \$5 a gallon, so the amount of tax has been paid more and more. Now, we want to add more to that? That is ridiculous and the people will continue to pay more because they accept by this summer the price of gas will be \$5 a gallon. I will not be supporting this amendment, I again, will be voting no on this Resolution.

Mr. Bynum: I thought we were starting budget tomorrow but I guess it is today. Again, the Mayor has presented us a budget as he is required to do that has enough revenue for the expenditures. This is the first day of that. He is suggesting lots of things in terms of revenue and at some point we are going to have a full debate and we are going to decide what is the proper mix, which is our role. I do not want to preclude any of our options at this point in the process. I am going to support this amendment because it gives us more options. I may not choose to support any increase in the fuel tax but if we get down later in the process and we have very difficult... I am telling you that we have difficult decisions to make this year because our revenues are down eleven and a half million every year compared to four years ago. More than \$30,000,000 of less revenue, taxes have gone down for every category of taxpayers except the residents who live here. If I have to choose later whether I want to lay off four policemen or increase some revenues and take back some of the revenues that we lost over the last four years in order to keep our community safe, I want that option. I want the mix of how we fund our needs. I do not want to preclude us on what was for many years just been a routine thing to put this into the budget process. It would be irresponsible to cut off these options, in my opinion. I am going to support the amendment but it does not mean I would support every aspect of this when it comes to it but I want the options.

Chair Furfaro: We have the amendment that has been circulated with some verbal clarifications and go to first reading. May I ask for a roll call on the amendment?

The motion to amend Resolution No. 2013-47 as circulated was then put, and carried by the following vote:

FOR AMENDMENT:	Bynum, Nakamura, Yukimura,	
	Furfaro	TOTAL - 4,
AGAINST AMENDMENT:	Hooser, Kagawa, Rapozo	TOTAL - 3,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Chair Furfaro: I vote aye for the purpose of having further discussion. Now, we will go to the main motion as amended.

Ms. Yukimura moved for passage of Resolution No. 2013-47 as amended, on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 24, 2013, and that is thereafter be referred to the Housing & Transportation Committee, seconded Mr. Bynum, and carried by the following vote:

FOR PASSAGE:	Bynum, Nakamura, Yukimura,	
	Furfaro	TOTAL - 4,
AGAINST PASSAGE:	Hooser, Kagawa, Rapozo	TOTAL - 3,

EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Chair Furfaro: I would like to turn to the item that we suspended prior and go and give the floor to Council Vice Chair Nakamura. If you can continue with the earlier piece.

(Chair Furfaro, the presiding officer, relinquished Chairmanship to Ms. Nakamura.)

Ms. Nakamura: We have here Diane Zachary from the Kaua'i Planning & Action Alliance and Lenny Rapozo, Director of Parks & Recreation. Unfortunately the other two consultants had to take a flight back to Honolulu, so thank you for returning to our session.

Ms. Yukimura: Is Mr. Costa going to be here?

LEONARD A. RAPOZO, JR., Director of Parks & Recreation: This morning he said that where he lives he was not able to cross the bridge. I am not sure if he had come across since then. That is why has been missing all day.

Ms. Zachary: I listened carefully to the comments and questions that were raised earlier following the presentation by the consultants. There were just a few points that I wanted to make just to provide a little bit of clarification, I hope. One is just to reinforce the idea that... and until we knew what we were talking about in terms of possible land area and what the configuration of the sports complex might be, it was really hard to think about negotiating with the landowner. We certainly had the participation of the landowner in the Steering Committee Meetings but obviously in order to move forward at this time, there has to be discussion with the landowner related to what they really want, the price, whether it is a lease arrangement or purchase or whatever it might be. That is certainly would be an important next step. Another step that was certainly mentioned that I think will address a number of the issues that were raised related to issues such as traffic impacts, is the environmental assessment. If you remember Glenn's presentation, in terms of next steps, that EA was really an important one. As you recall the proposed master plan is in phases and I will come back to the concept of phases in a moment. It is suggested that an EA be done in all of the phases so that we really see what would be the accumulative impact if all of those phases are built out. The number that I have heard of what an EA might cost to do that is about a \$150,000. Back to the issue of phases, part of the reason that it was developed is to show what those phases might be is, it was absolute recognition on the part of the community, consultant and certainly on the part of KPAA. The funds at this time are simply not available to say let us built this project but over time there may be time to build the project and it does not have to be done all at once. It can be done piece by piece as funds become available and it does not all have to be County money there maybe State money that is available for a portion of it, for example, the portion that is adjacent to the Elementary School, used by the Elementary School it would be logical that State funding might be available for that. There is a possibility of Federal funds that could be brought into play particularly title nine money's, for example, if we are getting really creative maybe even a possible of some private dollars. I think the idea of phasing we have to keep in mind because it does not seem like quite such a big bite if you look at it by pieces but the total price tag, I totally agree, seems very large. The question was asked in terms of whether the community would continue

to be a champion of this and I met with the Steering Committee about a little less than two weeks ago, I guess, and they have the absolute commitment to continue to meet and continue to be champions of this project, trying to get it to move forward, and also once it is constructed to be champions to marketing it and having it be used. They recognized it needs to be very well used for us as a community to justify the cost but for also to provide benefit to that area and the island as a whole. The Steering Committee has developed a structure for it to meet and for its decision making, membership, and I am very impressed with the commitment of that group.

I did want to mention very specifically that the West Kaua'i Business and Professional Association actually passed a Resolution in support of the complex feeling that it would be something that would provide tremendous benefit to the community overall. Lastly, thinking back to the presentation made by Doctor Agrusa when we were talking about the overall, the impact of sports and recreation on the island, one of the things that he talked about is if you really want to attract people not only to participate in events but also to be spectators at the events that you are hosting, that you think of some wrap around activities in order to make it really enticing for them to come. That idea is a great one and I actually have been working with the Arts & Culture community, I had mentioned that to them and that got them very exciting. They could absolutely see the possibility of developing and marketing in a partnership with sports and recreation events, different Arts & Culture activities that together was a package would be very enticing for people to come to the island. I just wanted to mention those points and hopefully that provides a little bit of clarification.

Ms. Nakamura:
for these different clusters.

Thanks for describing the potential synergies

Mr. Bynum: I am still trying to figure out how this turned into a feasibility study for a sports complex in Waimea, what I remember funding is a feasibility study for the economic impact of a sports and fitness on the island. To me, that would have looked at all areas of the island and pros and cons. Can you explain to me how it turned into a focus specifically in Waimea, I would appreciate it.

Mr. L. Rapozo: I thought that component was done with Doctor Agrusa. I thought that it was his function. This particular...

Mr. Bynum: You are talking about the initial funding was for CEDS - Sports Study, I do not recall anything when we gave funding that it was specific to the Westside, so I am trying to figure out how that happened. If you cannot answer it now, getting it in writing will be fine.

Mr. L. Rapozo: My understanding was that the funding was specifically for this particular project because for one thing when we did the master plan for Parks, this is pretty much the master plan or what the community had dreamed about. No other community on the island had come up with something like this, of this nature, island wide. The community came to the plate, they stepped up, they wanted to see this dream start to move forward and that was part of the moneys from the CEDS that were used from this project.

Ms. Nakamura: When the Council first approved funding for a sports and recreation initiative, the thinking of the time was to pursue a multi-use arena in Līhu'e. That was the original intent. I think the Administration had

some concerns about making that an initial priority because of a lot of things that were on their agenda that were priorities at the time. The thinking was let us not move on that specific facility but let us look at others under the category of sports and recreation. In the meantime the Department of Parks & Recreation Master Plan was being worked on and in those decisions this surfaced as a desire and need on the Westside. It was under the category of sports and recreation, that is how the funding evolved.

Mr. Bynum: I still would like to flush that out more clearly.

Ms. Nakamura: I think the better person to ask would be George Costa and he is not here but we can send it over in writing.

Mr. Bynum: This is not the first time that we did a sports complex master plan, you have seen the Vidinha Stadium Master Plan?

Mr. L. Rapozo: Yes.

Mr. Bynum: Has any of that been implemented in the twenty years since that plan was done?

Mr. L. Rapozo: The one that done in the 70's?

Mr. Bynum: Yes.

Mr. L. Rapozo: No. Part of it had been done. The football stadium and the baseball field, that part was a part of the whole master plan. The other part of...

Mr. Bynum: I think those were there when this plan was...

Mr. L. Rapozo: No. That was part of the master plan. The rest of it with the 10 tennis courts, the gymnasium, and the Olympic size swimming pool, that part has never been implemented.

Mr. Bynum: I think we are in a really difficult position because... is there going to be a sports complex built in 2014?

Mr. L. Rapozo: No.

Mr. Bynum: But it was on the headlines of the Garden Island twice.

Mr. L. Rapozo: I cannot control what the Garden Island prints.

Mr. Bynum: Lenny is there any money in this current year CIP budget for Waimea Sports Complex?

Mr. L. Rapozo: No.

Mr. Bynum: Is there money in the 6-year CIP plan for a Waimea Sports Complex?

Mr. L. Rapozo: No.

Mr. Bynum: So I am very concerned when the community sees multiple headlines, letters to the editor from high level County officials saying we support this plan, it is going to be built in 2014 and there is absolutely not one penny of funding for this project.

Mr. L. Rapozo: I have never said that and if the Garden Island said that then they need to correct that and restate that.

Mr. Bynum: The Parks Master Plan has an analysis of our current recreational facilities based on the population and communities needs, am I correct?

Mr. L. Rapozo: It was not based on community needs but what a community wants. The Parks Master Plan was...

Mr. Bynum: I thought it was based on national standards for capitol facility.

Mr. L. Rapozo: In terms of what the facilities are there but part of the master plan was to go to each community and what did you want to see in Parks? What do you want to see? This was part of it.

Mr. Bynum: Is an element of the master plan an analysis of our current inventory compared to national standards for needs?

Mr. L. Rapozo: Correct.

Mr. Bynum: This was presented here at Council.

Mr. L. Rapozo: Yes.

Mr. Bynum: And what we were told was that by that objective analysis, the Westside has the best, highest number of facilities per capita when you compare it to Lihu'e or Kapa'a and particularly the North Shore, and so I know there is baseball fields in Kaumakani and Waimea soccer fields, there are soccer fields and baseball fields in Kekaha and there is one soccer field and one baseball field that is the same that the County has on the North Shore. I am concerned about how we say to the North Shore, "you have almost no facilities for use and a population similar to the Westside that has a half a dozen or more fields." I agree with everything that was said here about the nature of the Westside today, totally committed to sports, tight community, really behind this. It would be wonderful but I do not think we should be saying to the community that this is going to happen when we do not know if that is the case. We have a responsibility in my view to see that County resources are equitably distributed to all site portions of the island. There has been many people who wanted to bring tournaments here and in the past our County has put money into the budget to do that but those things have not come to fruition in five or six years.

Ms. Nakamura: Excuse me...

Mr. Bynum: I just wanted to lay those things out. I am done.

Ms. Nakamura: Councilmember Bynum, excuse me, but it is just been brought to my attention that we are going to lose quorum in a half an hour. We need to get to some of the items that require full participation.

Mr. Bynum: I am fine with that, I am done.

(Ms. Nakamura, the presiding officer, relinquished Chairmanship to Chair Furfaro.)

Mr. Bynum: One last piece, I just did not think it was fair today to have all these people come here and not give some sense of what our legitimate concerns that are not being discussed.

Mr. L. Rapozo: There concerns that you have but they are fully engaged, people that are here that sit on the Steering Committee, they know that the next step is the EA. In order to have EA, we need to have site control and that is part of the ongoing discussion that we have with Kikiaola. The letter that you got from Kikiaola, I just got that today just as well as you.

Mr. Bynum: I will not go further with it today, Lenny.

Chair Furfaro: Let us leave it at that because we have business, we went in Executive Sessions and so forth today and I need a vote taken on those. Lenny, you folks are welcome to be right there in the event that we have someone else come up to testify but I do not want to lose quorum on things that we vote on today. We are going to recess this topic item. Jade, I want you to announce the page number and the item. Before we do I want you all to remember, Parks money is delegated not evenly across the board. It is delegated by five park districts of which assessments are made to go into a special district for parks. Waimea and Hanalei is not the same. The money in those accounts are for those districts.

There being no objections, C 2013-133 was taken out of order.

C 2013-133 Communication (03/15/2013) from the County Attorney, requesting authorization to expend funds up to \$25,000.00 to retain special counsel to represent Defendant Chris Calio in Lynell Tokuda, et al. vs. Chris Calio, et al., Civil No. 13-1-0049 JRV (Fifth Circuit Court), and related matters: Mr. Rapozo moved to approve C 2013-133, seconded by Ms. Yukimura, and carried by the following vote:

FOR APPROVAL:	Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL - 7,
AGAINST APPROVAL:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

(Mr. Bynum and Mr. Rapozo were recused from this item.)

C 2013-134 Communication (03/15/2013) from the County Attorney, requesting authorization to expend up to \$25,000.00 for special counsel's continued services provided for Defendant County of Kaua'i in Tim Bynum vs. County of Kaua'i, et al., Civil No. CV12-00523 RLP (U.S. District Court), and related matters: Ms. Nakamura moved to approve C 2013-134, seconded by Mr. Kagawa.

Mr. Kagawa: I want to thank Councilmember Rapozo for recognizing that he may need to sit this one out and I appreciate him stepping up and sitting out of this item.

The motion to approve C 2013-134 was then put, and carried by the following vote:

FOR APPROVAL:	Hooser, Kagawa, Nakamura, Yukimura, Furfaro	TOTAL – 5,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	Bynum, Rapozo	TOTAL – 2.

(Mr. Bynum and Mr. Rapozo were noted back in the Council Meeting.)

There being no objections, Resolution No. 2013-41 was taken out of order.

Resolution No. 2013-41, RESOLUTION ESTABLISHING THE REAL PROPERTY TAX RATES FOR THE FISCAL YEAR JULY 1, 2013 TO JUNE 30, 2014 FOR THE COUNTY OF KAUA'I: Ms. Nakamura moved for passage of Resolution No. 2013-41 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for May 1, 2013 at 5:00 p.m., and that it thereafter be referred to the Committee of the Whole, seconded by Ms. Yukimura, and carried by the following vote:

FOR PASSAGE:	Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

There being no objections, Proposed Draft Bill (No. 2471) was taken out of order.

BILLS FOR FIRST READING:

Proposed Draft Bill (No. 2471) – A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2013 TO JUNE 30, 2014 (Mayor's Operating Budget): Ms. Nakamura moved for passage of Proposed Draft Bill No. 2471 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for May 1, 2013 at 5:00 p.m., and that it thereafter be referred to the Committee of the Whole, seconded by Ms. Yukimura, and carried by the following vote:

FOR PASSAGE:	Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,

RECUSED & NOT VOTING: None

TOTAL – 0.

Proposed Draft Bill (No. 2472) – A BILL FOR AN ORDINANCE RELATING TO CAPITAL IMPROVEMENTS AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2013 TO JUNE 30, 2014 (Mayor's CIP Budget): Ms. Nakamura moved for passage of Proposed Draft Bill No. 2472 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for May 1, 2013 at 5:00 p.m., and that it thereafter be referred to the Committee of the Whole, seconded by Mr. Bynum, and carried by the following vote:

FOR PASSAGE:	Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Proposed Draft Bill (No. 2474) – AN ORDINANCE TO AMEND ORDINANCE NO. B-2012-736, AS AMENDED, RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2012 THROUGH JUNE 30, 2013, BY REVISING THE AMOUNTS ESTIMATED IN THE GENERAL FUND BEAUTIFICATION FUND AND THE (*General Fund, General Liability - \$764,194.00*): Ms. Nakamura moved for passage of Proposed Draft Bill No. 2474 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 24, 2013, and that it thereafter be referred to the Finance & Economic Development (Tourism / Visitor Industry / Small Business Development / Sports & Recreation Development / Other Economic Development Areas) Committee, seconded by Mr. Rapozo.

Ms. Yukimura: Mr. Chair, did we get the County Attorney's opinion about these? This was about a Sunshine and about "An Ordinance for an Ordinance."

Chair Furfaro: We are planning to. Again, this is a first reading Bill.

Ms. Yukimura: But we need to know whether this was properly posted or not in order to act on it?

Chair Furfaro: That was pursued by the Clerk and from what I understand, we are fine. If you want the County Attorney to acknowledge that? Is that what you want? Al, can you come up? I believe the County Clerk has spoken to you about this.

Mr. Castillo: Good evening everyone. I have gone over the agenda items that were in question and it does not offend the Sunshine Law. It is okay.

Chair Furfaro: Thank you very much.

Ms. Yukimura: Can you explain to me this thing about "an Ordinance Amending an Ordinance."

Mr. Castillo: You are doing an amendment. The question that was posed to me is whether or not the discrepancy between the posting of the agenda item and the attachments or the ordinance itself, would violate the Sunshine Law and it does not.

Ms. Yukimura: No, but there was a second question that was supposed to be posed to you. It is, "how can we have an Ordinance amending an Ordinance" when in our, I think our Charter... it reads "A Bill for an Ordinance."

Mr. Castillo: You are promulgating an Ordinance to amend an Ordinance. You want us to do a legal opinion on whether or not the wording of the agenda item and the Ordinance that is attached to the agenda item is proper or not proper, we can do that.

Ms. Yukimura: Well it says "Proposed Draft Bill."

Chair Furfaro: If there are any decisions about what you want me to do, it comes from the Chair.

Mr. Castillo: I am sorry.

Chair Furfaro: I have shared this with you before.

Mr. Castillo: Yes.

Ms. Yukimura: I am not asking for you to research, I was just hoping you could just explain how we have "an Ordinance?" To me, something does not become "an Ordinance" until we pass it and it is a Bill in its format until it becomes "an Ordinance."

Mr. Castillo: Yes, but what is happening is you are working on the Ordinance that amends the Ordinance.

Ms. Yukimura: Then we should have a Bill that is amending the Ordinance.

Mr. Castillo: So, the question is, do you want me to do a legal review on whether or not that is proper or not proper?

Ms. Yukimura: Can we go ahead and vote on it if we do not know whether it is proper?

Mr. Castillo: I looked at the Ordinance itself and for you to act on this that would be proper.

Ms. Yukimura: Not because of Sunshine issue, right?

Mr. Castillo: Number one because it does not offend the Sunshine and because you are promulgating new law which would be amending the Ordinance.

Ms. Yukimura: Okay, it is not to delay this. I will ask for an opinion because you have not given me a satisfactory answer.

Mr. Castillo: Okay.

Chair Furfaro: It was your opinion and let me tell you what the Chair is going to do, and we are going to defer this. Get the Opinion over. Give me a date from the Clerk, please.

Ms. Nakamura: Initially, this was posted as a "Bill for an Ordinance," so why was "A Bill for" recommended to be removed? What was the rationale?

Mr. Castillo: The question that I had this morning and I was not asked the second question. The question that I had this morning was whether or not this offends the Sunshine Law? Now, the question of whether or not you get into the substance of what you are trying to do, I can answer that at a later date.

Ms. Nakamura: I would actually, who's initiative was it to cross out "A Bill for?"

Mr. Castillo: We normally do our Legislative process, it is "A Bill for an Ordinance," that is the normal. Like I said the only question I was asked this morning...

Chair Furfaro: Okay. That is enough on this subject right here. We all know that a Bill is introduced and after it passes it becomes an Ordinance.

Mr. Castillo: Yes.

Chair Furfaro: The question is, "why do we have an Ordinance amending an Ordinance?" The fact of the matter is it should have been a new Bill. We are going to defer. I am going to ask to defer 2474 until April 10.

Mr. Bynum: I am just concerned whether that is going to mess up our schedule. There is a purpose and I think...

Chair Furfaro: I just checked with Jade and she said we can make it.

Mr. Bynum: Is there any objections from the Finance Department?

There being no objections, the rules were suspended.

STEVEN A. HUNT, Director of Finance: My only concern is timing because this is amending it in Fiscal 2013 and whether it can pass before the end of Fiscal 2013.

Chair Furfaro: It should be able to.

There being no objections, the meeting was called back to order, and proceeded as follows:

Chair Furfaro: We are on item seven for today out of forty-seven, so we are doing well. Let us maintain here. I am suggesting that we repost this item as being deferred until we get the legal correction to April 10.

Upon motion duly made by Mr. Rapozo, seconded by Ms. Yukimura, and unanimously carried, Proposed Draft Bill No. 2474 was deferred.

Proposed Draft Bill (No. 2475) –AN ORDINANCE TO AMEND ORDINANCE NO. B-2012-736, AS AMENDED, RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2012 THROUGH JUNE 30, 2013, BY REVISING THE AMOUNTS ESTIMATED IN THE DEBT SERVICE FUND (*Debt Service Fund - \$2,100,000.00*)

Upon motion duly made by Mr. Rapozo, seconded by Ms. Nakamura, and unanimously carried, Proposed Draft Bill No. 2475 was deferred.

Proposed Draft Bill (No. 2476) – AN ORDINANCE AMENDING ORDINANCE NO. B-2012-736, AS AMENDED, RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2012 THROUGH JUNE 20, 2013, BY REVISING THE AMOUNTS ESTIMATED IN THE GOLF FUND (*Golf Fund \$51,459.00*)

Upon motion duly made by Ms. Yukimura, seconded by Mr. Rapozo, and unanimously carried, Proposed Draft Bill No. 2476 was deferred.

Proposed Draft Bill (No. 2477) – AN ORDINANCE AMENDING ORDINANCE NO. B-2012-737, AS AMENDED, RELATING TO THE CAPITAL BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2012 THROUGH JUNE 30, 2013, BY AMENDING AN EXISTING BUDGET PROVISIO IN THE CAPITAL BUDGET RELATING TO PROJECTS FUNDED WITH COMMUNITY FACILITIES DISTRICT BONDS

Upon motion duly made by Ms. Yukimura, seconded by Ms. Nakamura, and unanimously carried, Proposed Draft Bill No. 2477 was deferred.

Proposed Draft Bill (No. 2478) – A BILL FOR AN ORDINANCE TO AMEND SECTION 2, ORDINANCE NO. 891, AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF KAUAI FOR THE PURPOSE OF FINANCING CERTAIN PUBLIC IMPROVEMENTS AND REFUNDING CERTAIN BONDS OF THE COUNTY; FIXING OR AUTHORIZING THE FIXING OF THE FORM, DENOMINATIONS, AND CERTAIN OTHER DETAILS OF SUCH BONDS AND PROVIDING FOR THE SALE OF SUCH BONDS TO THE PUBLIC: Ms. Nakamura moved for passage of Proposed Draft Bill No. 2478 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 24, 2013, and that it thereafter be referred to the Committee of the Whole, seconded by Mr. Rapozo, and carried by the following vote:

FOR PASSAGE:	Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Proposed Draft Bill (No. 2479) – A BILL FOR AN ORDINANCE AMENDING SUBSECTION (a) OF SECTION 21-9.2 OF THE KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO INTEGRATED SOLID WASTE MANAGEMENT: Ms. Nakamura moved for passage of Proposed Draft Bill No. 2479 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 24, 2013, and that it thereafter be referred to the Environmental Services / Public Safety / Community Assistance Committee, seconded by Ms. Yukimura.

Mr. Kagawa: I have been contacted by several people in the Waste Management Business and they are concerned about some of these proposals and they said that they will not be the one that is suffering, it will be the businesses that are going to be passed on the higher fees. Thank you.

The motion for passage of Proposed Draft Bill No. 2479 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 24, 2013, and that it thereafter be referred to the Environmental Services / Public Safety / Community Assistance Committee was the put, and carried by the following vote:

FOR PASSAGE:	Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Proposed Draft Bill (No. 2480) – A BILL FOR AN ORDINANCE AMENDING CHAPTER 17A, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO BUS FARES: Ms. Nakamura moved for passage of Proposed Draft Bill No. 2480 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 24, 2013, and that it thereafter be referred to the Housing & Transportation Committee, seconded by Ms. Yukimura.

Mr. Hooser: We had an earlier extended discussion on the gasoline tax and I want to be consistent but I want to explain why I am not going to be consistent. The gasoline tax...

Chair Furfaro: I would love to know that because I am so confused today.

Mr. Hooser: The gasoline tax was particularly offensive and I wanted to send a personal message that I was not going to be supporting that and likely not to support a number of these fees. I understand the importance of hanging on the table and they have the discussion but this particular one, raising the bus fares as well as some of the others, I am going to have a similar very difficult time and will likely not be supporting it. I will support it today in the interest of moving along for further discussion. I do want to say on my earlier comments about the Administration managing the funds of the County, you were correct Chair, in stating that the Council share some responsibility for the condition of the budget but I have to point out though, it is my understanding that we budget the funds, we do not spend the funds. We rely on the Department of Finance and the Administration to manage the spending of the funds and if we are heading in the direction when we are not going to have enough money to pay our bills, I would count on them to give us that notice a head of time and to ramp down on spending.

That is what I meant about managing our resources. I certainly know that the Council does share some responsibility because we do approve the budget. Thank you.

Chair Furfaro: Thank you for that clarification. As the same is true for the State Legislators, they need to take some responsibility for the shabby condition that the State is in right now.

Ms. Yukimura: I just wanted to say that this is in accordance with our Multi-Modal Land Transportation Plan that we want bus riders to also help in supporting the bus. It does not raise the regular trip fees but it does raise the monthly fees to a level that is fair and comparable. We will go to public hearing so we will get to hear from the public but I know already they are saving a lot of money and the raise will still allow bus riders to save a lot of money as compared to if they had to drive a car daily to and from work or wherever they have to go to. Thank you.

Chair Furfaro: It looks like we are going to have a very deep discussion at budget time, I can tell by the comments already. But you know, things costs money. If you want to use them, you have to pay your share and some of us need to wake up to that reality too. We deeply discounted many programs including property taxes and now it is time because those things were put in place to answer the questions that were covered over the last five years. The same is true of the cost related to operating public transportation and so I look forward to a very enthusiastic discussion at budget time.

Mr. Rapozo: With that as well comes a equal attempt at reducing expenses.

Chair Furfaro: Yes.

Mr. Rapozo: And we cannot constantly, since 2009, we have done it. We budgeted more expenses than revenue and I just have a difficult time increasing fees and taxes during a recession period that we are in right now. I think we have come to that point where we got to realize the fact that we definitely got to cut expenditures as well as increase revenue.

Chair Furfaro: Thank you and I will be pointing out some of that tomorrow morning at 9:00. May I have a roll call vote, please?

The motion for passage of Proposed Draft Bill No. 2480 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 24, 2013, and that it thereafter be referred to the Housing & Transportation Committee was then put, and carried by the following vote:

FOR PASSAGE:	Bynum, Hooser, Kagawa, Nakamura,	
	Rapozo, Yukimura, Furfaro	TOTAL - 7,
AGAINST PASSAGE:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Proposed Draft Bill (No. 2481) – A BILL FOR AN ORDINANCE AMENDING SECTION 5-2.4, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO MOTOR VEHICLE CERTIFICATE OF OWNERSHIP AND REGISTRATION

FEES: Ms. Nakamura moved for passage of Proposed Draft Bill No. 2481 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 24, 2013, and that it thereafter be referred to the Housing & Transportation Committee, seconded by Mr. Hooser.

Mr. Rapozo: I just want to let the public know that the registration tax, the increase in revenue will be 41.67% and I will be supporting it as we move forward but I will likely will not support it at the Committee or the full Council. That is a substantial increase – 41.67% at a time where people are already struggling to pay.

Chair Furfaro: I think in the last budget we had this discussion and as you know I have put revenues as a separate item last year and we were finding that increases were not coming over consistently. Fifteen years before the Administration is asking for some kind of increase but if you take fifteen years, it is something like 2.7% per year but when they come in lump sums of number of years, it does look drastic.

The motion for passage of Proposed Draft Bill No. 2481 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 24, 2013, and that it thereafter be referred to the Housing & Transportation Committee was then put, and carried by the following vote:

FOR PASSAGE:	Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Proposed Draft Bill (No. 2482) – A BILL FOR AN ORDINANCE AMENDING SECTION 5-2.3, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO THE COUNTY MOTOR VEHICLE WEIGHT TAX: Ms. Nakamura moved for passage of Proposed Draft Bill No. 2482 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 24, 2013, and that it thereafter be referred to the Housing & Transportation Committee, seconded by Ms. Yukimura, and carried by the following vote:

FOR PASSAGE:	Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Proposed Draft Bill (No. 2483) – A BILL FOR AN ORDINANCE AMENDING CHAPTERS 7, 8, AND 9, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO THE ADJUSTMENT OF VARIOUS PERMITTING CHARGES AND FEES LEVIED BY THE DEPARTMENT OF PLANNING (County of Kaua'i, Applicant): Ms. Nakamura moved to refer Proposed Draft Bill No. 2483 to the Planning Commission, seconded by Ms. Yukimura.

Ms. Yukimura: I just wanted to say, actually referring to what you just said about how we do not periodically raise fees. I believe some of these planning fees have not been raised since 1970 and it shows that we are really not keeping up with the cost of processing and so it is actually important to raise fees periodically so that we do not hit our people with huge raises all of a sudden. It is sometimes easier to take raises when they are small and incremental.

Mr. Rapozo: I agree to that but to some extent; however, the question is will these substantial increases in fees return a better service. If we are just throwing more money at a broken system, that is doing no justice to the users. Some of these fees are going from \$50 to \$300 and there was another one in here that was quite substantial going from \$35 to \$200. There is one for \$150 to \$800. These are substantial increases and the question is do our citizens are you going to get increased service in that same portion or are we just trying to auto money grab? That is my frustration. That is substantial increase, in fact, it comes out to about a 300% increase from this year to next year. Is that going to give us the 300% improvement in the service that our people waiting for people waiting for permits for nine months? Are they just going to pay more for the substandard service? I realize this has to go to the Planning Commission but when it does get back here, I am hoping that the Planning Department and Administration can answer that question. I will not support an increase just because we have not raised it in thirty years. It has to be tied to some improvement in the service. I just do not see that happening because nothing is changing.

Ms. Yukimura: We will have the chance to talk to Planning about this but if you do take 300% over forty years, it is not that great of an increase and I believe they are going into electric plan processing and so forth but we will heard from them. I have the same concerns about customer servicing but I think the fee increase is long overdue.

Chair Furfaro: I just want to remind people that fact that, I come from the service business. If you pay \$50 for a permit, you better expect some poor service. The real question is here is what is the service we are currently delivered, what is it valued at? That is what we needed. I do not disagree with any discussion that is coming here but let us keep it focused on what it cost us to do business and what kind of value we are delivering to the customers. If you want a one star hotel, you chose to pay \$39 a night for your room. You want to have room service twenty-four hours, you better be prepared for \$400. The comparison needs to be focused on value, okay and right now we are delivering moderate service and it is a good value to the customer. We got to find a middle.

Mr. Rapozo: If you went to that one star hotel and you were told, your rate went from \$39 to \$400 but the amenities are the same and the service is the same that is not appropriate.

Chair Furfaro: I know what your point is and I would also expect four ply toilet paper.

Mr. Rapozo: Exactly.

Chair Furfaro: But my point is, let us measure value for value. Come on guys, let us get through this and understand we are in it together and it is challenging. We guide property taxes but all these things that are coming up about increasing tax rates or fee rates and so forth, that is the Administrations

kuleana, we already told you that. We have been letting it go too long. Let us see what value we can add for the added cost. Roll call, please.

The motion to refer Proposed Draft Bill No. 2483 to the Planning Commission was then put, and carried by the following vote:

FOR REFERRAL:	Bynum, Hooser, Kagawa, Nakamura, Rapoza, Yukimura, Furfaro	TOTAL - 7,
AGAINST REFERRAL:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Chair Furfaro: I apologize for my last comment but you need to understand price and value and what you get, you have to pay for.

Proposed Draft Bill (No. 2484) – A BILL FOR AN ORDINANCE AMENDING SECTION 5-1.1, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO THE COUNTY FUEL TAX

Ms. Yukimura moved to approve Proposed Draft Bill No. 2484, seconded by Mr. Bynum.

Mr. Kagawa: I will stay consistent, this is my last item for the day, I have a family business to attend to. I will not be supporting this. I do not believe this is the proper way to generate funds. The gasoline prices are outrageous and we do not need it to be more outrageous.

Ms. Yukimura: May I restate my motion?

Chair Furfaro: You still have the floor.

Ms. Yukimura moved for passage of Proposed Draft Bill No. 2484 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 24, 2013, and that it thereafter be referred to the Housing & Transportation Committee, seconded by Ms. Nakamura.

Ms. Yukimura moved to amend Proposed Draft Bill No. 2484, as circulated, as shown in the Floor Amendment which is attached hereto as Attachment 2, seconded by Mr. Bynum.

Ms. Yukimura: This is parallel to the Resolution and again it gives us options. It requires no commitment at this time except to move the Bill forward so that we can act on it eventually after public hearing and after hearing our Department discuss their programs and needs during budget hearings.

The motion to amend Proposed Draft Bill No. 2484 was then put, and carried by the following vote:

FOR AMENDMENT:	Bynum, Nakamura, Yukimura Furfaro	TOTAL - 4,
AGAINST AMENDMENT:	Hooser, Kagawa, Rapozo	TOTAL - 3,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Chair Furfaro: Before Mr. Kagawa leaves because we have to vote on as amended, I do want everybody to know that the verbiage, I had them go back and check, the verbiage on the four Bills that we deferred, just for your information, have come out in the past "a Proposed Draft Bill for a Bill for an Ordinance to amend an Ordinance," has been used for a very long time here. In fact, I have confirmed it has been used many years, both way, so just so we are clear on that.

The motion for passage of Proposed Draft Bill No. 2484 as amended, on first reading, that it be ordered to print, that a public hearing thereon be scheduled for April 24, 2013, and that it thereafter be referred to the Housing & Transportation Committee, was then put and carried by the following vote:

FOR PASSAGE:	Bynum, Nakamura, Yukimura, Furfaro	TOTAL - 4,
AGAINST PASSAGE:	Hooser, Kagawa, Rapozo	TOTAL - 3,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

(Mr. Kagawa was Excused from the Council Meeting.)

Chair Furfaro: We are back to C 2013-128 with Diane Zachary and the CEDS program and on that note, I am going to ask Diane to come back up. Members, I just want to say that this was a very difficult long day because first of all we are going into two weeks of budget, number two, there was back log here that we needed to complete with some urgencies. Number three, going in the future, if I have to tell you that your Bill or action needs to wait, I will. I will purchase some crying towels to hand out to you folks because this gets... almost six hours and we only cover three items. To you Committee members, those discussions should be happening in your Committees. Thank you.

Ms. Nakamura: And in the increase of time we should wrap this up so we can get through the rest of the agenda. I would like to ask members to put their questions in writing and we can forward it to the consultants to respond to in writing. If there are no urgent questions, I would like to... yes, Councilmember Yukimura.

Ms. Yukimura: I am not clear that the Environmental Assessment is the next step. It seems to me that what we need is a business plan because I do not... there are too many unanswered questions that will not be answered by an EA, especially the economic aspects. I would ask Lenny and Diane, both, to come back with a proposal for a business plan.

There being no objections, the rules were suspended.

Mr. L. Rapozo: Would you send over your questions as to what you would like the business plan to address and then maybe we can address it before. Maybe there might not need to have a business plan, maybe it has been addressed and it was not able to be discussed here.

Ms. Yukimura: I asked some of the questions today and did not get answers. But we will put it in writing. Diane has said that it is a lot of money, \$45,000,000 is about the amount of our total CIP budget this year. It is

\$49,000,000. I guess one of the questions that I would ask you, Lenny, right now is how do you proposed to fairly serve this island when there is a complex on the Westside that will cost \$380,000 a year to maintain. Councilmember Kagawa said, we are not even taking care of our existing parks right now.

Mr. L. Rapozo: I do not think that is what Councilmember Kagawa said but would you like to go on a tour of the park with me? I would love to go and show you and you can show me what you feel the deficiencies are.

Ms. Yukimura: I saw...

Mr. L. Rapozo: I am not going to sit here and say that there is no challenges because there consistent challenges of parks. I think that is one of the reasons why we became a Department. It has been far too long that a lot of stuff has been neglected and I have been a user of these parks all my life as well. So, there is a lot of catch up.

Ms. Yukimura: Lenny, I totally supported a Parks Department for the purposes that you and I agree on but can you answer my question? How will the Parks Department manage with a \$380,000 operating costs on one park? What is the County's park operating budget now?

Mr. L. Rapozo: Just about \$12,000,000.

Ms. Yukimura: Is \$12,000,000 sufficient to maintain our parks today?

Mr. L. Rapozo: That also includes recreational... that is the total Department of Parks & Recreation budget. I believe the Parks maintenance budget is somewhere around... almost \$5,000,000.

Chair Furfaro: Four point eight.

Mr. L. Rapozo: Yes, almost \$5,000,000.

Ms. Yukimura: How will you take care of the maintenance of this?

Mr. L. Rapozo: We allotted \$380,000, if we do get that, we would have to maintain the parks as is. Is that what your question is?

Ms. Yukimura: Right but you are going to have... you have other plans in the Park Plan both for capital improvement as well as increasing the capacity and therefore the maintenance of parks. I am still not really clear how you are going to do this?

Mr. L. Rapozo: I believe the \$380,000 was done for the whole complex itself. The complex will be built out in phases and in those phases I do not believe and the \$380,000 was addressed in phases. If we build phase one, it will not be \$380,000 to be maintained.

Ms. Yukimura: Can you show me the Parks budget of... as long as those phases which shows me how you are going to fund all of your needs in each phase and what the breakdown is. That is what a business plan would be

about both from a County standpoint as well as the marketing part. Do you expect Parks to do that?

Mr. L. Rapozo: No, I think you heard that West Kaua'i Business said that they wanted to do that.

Ms. Yukimura: And how much will it cost and how will they raise those revenues?

Mr. L. Rapozo: We would have to ask them that question.

Ms. Yukimura: That is among the things, I think a business plan should address. That is why to me that would important to have.

Ms. Nakamura: We are going to get that in writing and send that over to you.

Mr. L. Rapozo: Yes.

Ms. Nakamura: Do you have any further questions? While you are looking, I will give Councilmember Rapozo the floor.

Mr. Rapozo: This is not a trick question but do you consider Parks & Recreation one of the core functions of the County?

Mr. L. Rapozo: Yes.

Mr. Rapozo: Do you base your Park Plan on profitability of the park?

Mr. L. Rapozo: No.

Mr. Rapozo: Because I am hearing all these questions about business plans and profitability but we are trying to build a complex.

Mr. L. Rapozo: Yes.

Mr. Rapozo: We are trying to build a park that is going to service the community and... that was my question. We do not base it on profitability.

Mr. L. Rapozo: No.

Mr. Rapozo: Okay.

Mr. Hooser: It is kind of a process question. Clearly this is a huge project and lots of money. What is the next step? Is it in the budget that we are working on that is being presented? Is there funds in there that authorize the next step? Are we still in discussion phase? What is the trigger point for decision and how is that decision made in terms of let us move forward.

Mr. L. Rapozo: As we had spoken before we went on break, we are looking to do the EIS first. In order to get to that point, we need to have

some control, so we need to have more dialogue with Kikiaola Land Company to work that portion of the project out.

Mr. Hooser: The plan is to talk to the landowner and then when you come to an agreement with the landowner then to come to the budget to request funds for an EIS?

Mr. L. Rapozo: Correct, or depending on what the outcome is with the landowner, we may have to acquire that piece of land first. It would be a two part process.

Mr. Hooser: It is not going to happen this year?

Mr. L. Rapozo: No. That is why I said when the question was asked to me if we are going to start building within next year, no.

Mr. Hooser: Because I agree, I have lots of questions in terms of long-term viability, how much it is going to cost... all that kinds of things. I just needed to know what the trigger points were and where we are at on this issue.

Ms. Yukimura: I want to clarify, I am not asking for a park to be profitable but this proposal is being put forth as an economic development factor. That is when we do legitimately ask what is the return on investment for the community, how much is it going to cost, and who is going to pay what? That is not clear yet and one of the things I asked Mr. Kirkpatrick and he said he will do is to estimate the cost of tourism support that is whenever you show the income from the visitors who are coming in because of this project, what are the costs to the government of supporting that kind of additional visitor days or whatever. It all looks rosy but we talked earlier when we were talking about securing the tourist TAT moneys that more tourist means fire, police, parks, that kinds of costs and we need to know that as well. He said he would calculate that.

Ms. Nakamura: Any other questions? If not, we will put everything else in writing and get that over to you.

Ms. Yukimura: I have one more question, please.

Ms. Nakamura: Yes.

Ms. Yukimura: Diane, I asked the question and I got back an answer which... if we are talking an economic development project with sports as a cluster for economic potential, would good planning principles not dictate that criteria first be developed for locating a sports complex in order to ensure optimum economic impact while minimizing negative impacts. Those criteria, similar to a landfill be applied to various locations around the island to see where there would be the biggest return on the public's investment. Was that done in the planning process? Were criteria established before a location was chosen?

Ms. Zachary: That was not part of the assignment to KPAA, so for us, that was not done. We were asked specifically to look at the Waimea Sports Complex.

Ms. Yukimura: But if we are going to be asked to spend over whatever the build out time is - \$45,000,000, we really need to know whether that investment is best located and where, in terms of both cost and benefits, so that means we do not have that information. The Council does not have that information.

Ms. Nakamura: When we were looking at what was planned for the Vidinha Complex, that is where the multi-use center, indoor gymnasium was envisioned with the tennis courts and updating the soccer fields, there is quite a bit of build out on that site that would not accommodate an additional sports complex for baseball/softball. There is a build out plan for that site but there were no other sites identified around the island for the baseball complex.

Ms. Yukimura: That plan is obsolete, it is so old.

Ms. Nakamura: That is based on the current master plan.

Ms. Yukimura: I am hoping the current master plan reconciles that and if we are going with the current master plan and it says that there is going to be a big stadium there, how much is that going to cost? What sequencing of expenditures of both capital and operating are we showing in the plan?

Mr. L. Rapozo: The master plan did not address it. It did put together where we wanted it and possibly land available. But with your question here as Diane had mentioned, that was not part of the assignment.

Ms. Yukimura: I know but the Parks Department in order to have a reasonable plan has to address those questions. It should reasonable come up in the Parks Plan. My further question is and I do not know if the Vidinha site, I have not seen the final Parks Plan, so I do not what... we hear of preliminary discussion of it but I believe there is a case for a large performance arts sports complex. I do not mean the type of laid out baseball and so forth but a large arena of maybe where you can have National type of basketball, it is a covered arena, so you do not have to worry about shearwater and you can have both things like the Merry Monarch as well as some major sporting events.

Mr. L. Rapozo: Correct.

Ms. Yukimura: If that is part of the plan, how much does that cost? What are the benefits and what is the return on investment? Because we do not have money to do everything and a plan should reconcile those demands or possibilities.

Mr. L. Rapozo: I need more money. When we did the Master Plan we did not ask that. If we were to do that for every facility that was asked to do in the Master Plan, we need more money to hire the consultant longer.

Ms. Yukimura: Well then perhaps you should ask for it.

Mr. L. Rapozo: The Master Plan was to address what the direction we wanted to go with Parks with the different needs that the community wanted to see in their community.

Ms. Yukimura: Well no, no plan is only what a community wants. It has to address the potential money that is needed...

Mr. L. Rapozo: Then everything will be in Līhu'e. If you are talking about walking to the airport, walking to whatever you want... everything will be in Līhu'e. Not going get nothing anyplace else on the island.

Ms. Yukimura: No, I do not believe that is so either. What makes you jump to that conclusion?

There being no objections, the meeting was called back to order, and proceeded as follows:

Chair Furfaro: I think that I need to jump in for a second. We know what the tasks were delivered to you and in any good process, it is very important to reach out to the community. There are a lot of things missing in this financial piece, I do not want to call it a "return on investment" because that is not what the nature of what government is all about. It is about providing opportunities for the public in their communities. I mean, one of the best things we have here are our beaches and sports activities and it is to no charge to the public. That is value that I am talking about earlier. I think the proposal is very weak, Diane in the number of room nights, that they have proposed. They put in 6,100 room nights in there and even the kids come over staying triple or quad in a room. I would suspect that we would get at least two and a half times that in a way of room nights. You got to also remember measuring economic benefit is not just about the revenue that we are taking in, it is all about the rooms are occupied - the maids are working. There are salary taxes and benefits that they pay because they actually have additional work, so there are a lot of moving parts there and I just want us to get back to a closure of this discussion today. Any further discussion, I want it to be in Committee.

Ms. Yukimura: I do not have to ask any more questions if we will have this back in Committee. When will it be back in Committee?

Ms. Nakamura: Probably after budget.

Ms. Yukimura: Okay.

Ms. Nakamura: Thank you very much Lenny. Thank you, Diane, for being here, for answering our questions, and we will get back to you on a follow up.

Mr. Bynum: Final question.

Ms. Nakamura: Final because it is going into Committee and we do not have time, I will have to leave in a few minutes as well.

Mr. Bynum: The key thing that Diane just said was we were not asked to look at the feasibility island wide. I have a fundamental problem that we did not use sports and fitness as an economic driver, that idea and that concept has been out there for a very long time. We have two sports fields planned for Kapa'a and the very purpose was to bring tournaments here. We put \$5,000,000 in the budget or a bunch of millions to improve the baseball stadium here and a lot of that motivation was to host tournaments here. What I voted for was a feasibility

study for sports and recreation. That should have looked at various possible locations and talked about the pros and cons of each. Overlaying that is the Parks Master Plan which does have an objective analysis of what our current facilities are and do they meet the needs of the communities that they are located in. I think that should be an important consideration when we are talking about a new sports facilities, so we are going to put the plans we had and already spent money on hold while we go off on new plans and we really have not looked in terms of this where is the best place on island. And it is not Kaua'i's Planning & Action Issue because her contact said look at Waimea. I have a fundamental problem with that.

Mr. Rapozo: I guess I see things differently and I want to thank KPAA and Lenny for being here today. As I asked Lenny on the return on investment or the profitability, you know, the difference with this project was the community came forward. The community has been working on this for a very long time and I disagree with some of the comments made that it is not only up to the community. We had a community that came forward and said this is what we want and we are ready to go. In that plan that we saw today, it was clear, they did not ask for the County to pay for the full project. They mentioned various sources of funding; Title 9 funding, Weinberg that is another source that we have not spoken about today, we also have State and Federal money as well as County money. I sat on this table for many years and we talked about and I got to get this off my chest because we sit here and approve a lot of money and I will use the bikepath as an example, there is no return on investment - direct County profit. When we sat here and approved the bikepath many years ago, the route was not known, no one knew where the route was going to be. It started with a vision and the community got onboard and said "we want it," and it happened. Until today, we still do not know where the route will be and that is not cheap either and still Federal money and still County money. If we use profitability as the basis, we got to get rid of the golf course and the buses. We got to charge for people to use based on... it is crazy. There is a core function we serve, public health and safety and I believe Parks is a vital component of that core services. I will close with this, we talk about where else could it be? What have we done for the Westside, think about it, when we look at the millions of dollars that we have spent - landfill, levees, sewage plants, and yet on this side of the island we have the Black Pot expansions out on the North Shore, the bikepath, soccer fields, campgrounds, park improvements in Kapa'a as well as Vidinha, and the Westside is saying "what about us?" We have an area and the community that is going to support it. I know that community, they are going to support it. This is still early stages and I would encourage the County to work with the community and help them explore some funding opportunities where we can actually start to move. \$45,000,000 not in one year, they make it seem like we are going to build this next year and it is in the budget. It is a long project but the Westside is due for it and they want it and I think they will do a great job with trying to move this along.

Ms. Yukimura: I want to make it really clear here that when I talk about return on investment, I am not talking about making Parks make money. I am talking about really analyzing our programs like we do everything in terms of what benefits are going to come to the community, like getting people to work, that is a benefit from the bus, or like a park which is to be able to play, walk... I am talking about those benefits. They have to be measured... because all the benefits that you talked about for the Westside could be a benefit anywhere else on the island as well. We have to talk about cost and we have to look at all our goals. The Westside community is like no other in terms of the community spirit and the way they are able to get things done together but it is really easy to push

things into the future and say it is not all now, but still when a community is asking to spend an amount over time that is equal to our total CIP budget, we have to look at other uses of that money and how we responsibly use that money. That is why a business plan will be good. It is easy to say that we can go to the State, the State is trying to take County money. They are not even wanting to give us money, they are taking County money. A business plan will really look at the feasibility of these sources, the money and talk to people and examine it that is why I think that is the better step. It will look into how much it takes to market a facility like this and who will be responsible and how they will fund that capacity. Which it is true, the Waimea Business Community could but they do not even know how much, we do not even know how much it will take. This is a big facility to market. I think it is about doing due diligence and lastly I want to say that the answer I got in writing from Ms. Zachary about why we did not also look at the possibility and cost of a performing and arts/sports complex of the type that would house Merrie Monarchs and will provide another venue beyond the thousand seat facility that we have at the Convention Hall which I believe we are needing to look ahead as our population gets to this level. That study that she did with Arts & Cultural Organizations and three meetings with them, there does not seem to be strong support for a large performing arts facility. Well, I do not think that was the question or focus of that study. As I recall it was do they need a place where they can come together and share Xeroxing and it did not... and if it was that than we have to ask the question beyond just the group of people that came together. We have to ask the public, the visitor industry, we need to do as comprehensive a feasibility study for that facility as for this Westside Sports Complex in order to really be able to compare the feasibility, the return on investment in non-monetary as well as monetary terms and the benefits to our community.

Chair Furfaro: I suggest that we do the rest of that back in Committee, not at a full Council Meeting.

Ms. Nakamura: Thank you.

Mr. Rapozo: Do you need a motion to refer this to the Committee? Do you want to repost?

Ms. Nakamura: We should just receive it.

The motion to receive C 2013-128 for the record was then put, and carried by a 6:1:0:0 (*Mr. Kagawa was Excused*).

C 2013-129 Communication (03/01/2013) from the Chief, Building Division, Department of Public Works, transmitting for Council information, the Monthly Report on Building Permit Information for the Month of February 2013, which includes the following:

- a) Building Permit Processing Report
- b) Building Permit Estimated Value Summary
- c) Building Permits Tracking Report
- d) Building Permits Status

Mr. Rapozo moved to receive C 2013-129 for the record, seconded by Ms. Yukimura.

Chair Furfaro: I just have one comment on that whole thing, that item was designed by myself when I was the Finance Chairman almost nine

years ago. The intent of that piece – it is designed after a booking ticket at a hotel, so that you can determine how much potential revenue will be in next year's forecast because we gave a new building permit. We need to get an understanding that we need a monthly building permit reconciliation and in six months so far, we have added potentially an additional \$630,000 in property taxes. It is a booking ticket that helps the Council forecast future revenues. I do not need from anyone in Finance or Building people right now, I am just saying that these are the kinds of inefficiencies that we do have to be a little bit more critical with you on. I would appreciate it if we can stay more current.

Ms. Nakamura: I also wanted to make a comment that the average days that some of the building permits remained in a Department stands out and I think at some point we would... it does not have to be at today's meeting but at some point it will be good to ask the Department of Public Works why certain building permits stay longer within certain Divisions and others? What might be the root causes for the delay.

Chair Furfaro: We do know that some of them are caused by owners.

Ms. Nakamura: Exactly.

Chair Furfaro: There needs to be some kind of notation on the report.

Ms. Nakamura: I think it does. It breaks down by the applicant and Department, so that is helpful. But I think we need to start digging deeper to look at... but this should be done in Committee as well.

Chair Furfaro: Yes.

Ms. Nakamura: I would like to make a referral to Public Works to have that discussion.

Mr. Bynum: I just want to say that in the past we have done that and when Jay says that it is a forecast, which it is, it also has been very helpful about allowing the Department's to understand where the hold ups were. When we starting receiving these reports and we had dialogue about it, we saw improvements. All of a sudden, it is really obvious. I believe there have been improvements. The other thing on building permits, we are moving into the Twenty-first Century with electronic permitting, some of the things that have been in the work for a while and we should see a lot of improvement but I think follow up and having to look at that again and getting those explanations about how the permit moves is a good agenda item for Public Works.

Ms. Nakamura moved to receive C 2013-129 for the record and ask for posting at the appropriate time, seconded by Mr. Bynum.

Chair Furfaro: It would not hurt to put a little more narrative in other than just... you know, put some narrative in it and tell us what is going on when a permit is going 190 days. That would be helpful.

The motion to receive C 2013-129 for the record and post at the appropriate time was then put, and carried by a 6:1:0:0 (*Mr. Kagawa was Excused*).

Chair Furfaro: We will repost after the budget session but in the meantime, I expect the Building Permit Report to be timely. Not nine months all at one time. Lyle, I want to thank you folks for getting it current because we need that for the budget in forecasting revenues.

C 2013-130 Communication (03/12/2013) from Councilmember Rapozo, requesting agenda time for a briefing from Keith Kamita, Deputy Director, State of Hawai'i, Department of Public Safety, on the Bills that are currently before the State Legislature relating to the legalization of marijuana: Mr. Rapozo moved to receive C 2013-130 for the record, seconded by Mr. Bynum.

Mr. Rapozo: We had some scheduling conflicts with Mr. Kamita from Department of Public Safety and I guess as the Legislative Session is in session, it is very hard to lock him down because he has a lot of moving Bills. We are going to receive this and set up a time at a later date when he is much more available.

Mr. Bynum: Mr. Rapozo, it is my understanding that any Bills to legalize marijuana has died at the Legislature this year, is that correct?

Mr. Rapozo: I believe there was some decriminalization Bills that are still going through.

Mr. Bynum: I would just encourage you to make the posting a little bit more broad so we can look at all of the marijuana related Bills because there are a number of them.

Mr. Rapozo: Yes, we will do that.

The motion to receive C 2013-130 for the record was then put, and carried by a 6:1:0:0 (*Mr. Kagawa was Excused.*)

C 2013-131 Communication (03/12/2013) from the Director of Finance, transmitting for Council information, the Condition of the County Treasury Statement quarterly report as of February 4, 2013: Mr. Bynum moved to receive C 2013-131 for the record, seconded by Ms. Yukimura.

There being no objections, the rules were suspended.

Chair Furfaro: I will make this brief, Steve. One of the reasons I wanted to talk about this at today's Council Meeting is that I want to make sure that everyone in Finance starts to really recognize for the last five years the call on cash is going to be more and more critical because of our revenue cycle and our expense cycle. I want to make sure that it is conveyed to your people and do we do any kind of an aging report to pay bills?

Mr. Hunt: Are you talking about the terms of the peek needs for cash?

Chair Furfaro: Yes. Is that done by the Treasury Report?

Mr. Hunt: I believe Dave Spanski provides that report.

Chair Furfaro: He does it quarterly though. I just want to make sure that as we have an aging on bills, that we also have an understanding everybody does not immediately get their cash. We will stand behind it but we need to... we have two peeks in our revenue cycle and both are around the property tax piece. That cash has to last in six month increments.

Mr. Hunt: Yes.

Chair Furfaro: I am satisfy just having a discussion, if you can, with key members of the Finance Department and Mr. Spanski because it is going to be an issue for cash flow. That is all I needed to say.

There being no objections, the meeting was called back to order, and proceeded as follows:

The motion to receive C 2013-131 for the record was then put, and carried by a 6:0:1:0 (*Mr. Kagawa was Excused*).

There being no objections, C 2013-139 was taken out of order.

LEGAL DOCUMENT:

C 2013-139 Communication (03/19/2013) from the Fire Chief, requesting Council approval to enter into a Letter of Agreement with 4Dventures LLC regarding the "Saving Lives" television series, and to allow Kalani Vierra, Ocean Safety Bureau, Kaua'i Fire Department, County of Kaua'i, to sign all pertinent documents including, but not be limited to, the Letter of Agreement, Event Release Form, Materials Release Form, and Standard Release Form between the County of Kaua'i and 4Dventures LLC: Mr. Bynum moved to approve C 2013-139, seconded by Ms. Yukimura.

There being no objections, the rules were suspended.

Chair Furfaro: Chief, again, this is authorizing the Head of our Water Safety Division of the Fire Department to take a little bit more authority on signing off a particular programs related this promotional series, am I correct?

ROBERT F. WESTERMAN, Fire Chief: Yes.

Chair Furfaro: Can you expand on that a little bit more?

Mr. Westerman: Sure. As it relates to the form for the youth to participate in our program and we narrowed it down to four documents to ensure that those are the only one that Kalani Vierra will be signing for. Most of them are almost immediate on the spot forms that need to be sign, so that is why we are asking you to approve this. I guess it is odd to be asking that he be able to sign these forms for the County because normally that would be done ahead of time but in this particular case since they are making a TV show, they need those forms on the spot. The Counsel can explain each of the four forms and what they are.

Chair Furfaro: Mauna Kea would you give us more detail?

MAUNA KEA TRASK, Deputy County Attorney: I would like to note the first step of this project we sought an ethics opinion from the Board of Ethics. They

really pared down what Ocean Safety's involvement in this project can be and it really is as it is attached to the packet that you are provided. The Board of Ethics said it was not a violation of Code of Ethics for the Fire Department because that is who Ocean Safety is under to respond to request for 4Dventures for information, helping and identifying content, help and prioritizing messages in similar matters in which information is sought. When you look at these things the County's involvement really is... there would be no money exchange, no commitment of personnel, this program is already conducted by Mr. Vierra and the volunteers from Ocean Safety on their own time usually off hours, after work or on weekends when they are not on the clock. The forms that he will be signing is one: the Letter of Agreement which just delineates the respective parties obligation which essentially is that they can show up and film us and that is it. Event release forms, standard location release form, and also materials release form and that is really it. The reason why, again, Kalani Vierra, not only a lifelong waterman on the island of Kaua'i, surfer, canoe paddler, but he would be the person that would talk about the message anyway in order to streamline everything and ensure that this is done quickly and it goes to the right person, again, we would ask your authorization to have Kalani sign it. Again, no liabilities and money are being excepted. So, this is not like a lot of contracts that come before you.

Chair Furfaro:
Attorney.

Questions for the Fire Chief or the County

Ms. Yukimura: I like the proposal very much, it seems to be very well thought through. I am concerned though about the skimpiness of the Letter of Agreement and I am a little concerned about whether the language fully protects the County.

Mr. Trask: Yes.

Ms. Yukimura: So this letter before us which you are asking us to approve, it has been approved by the County Attorney's Office?

Mr. Trask: Well first off I cannot really... I am not an Intellectual Property Attorney, I have seen these things on the internet and I have looked at what they really say. So as far as skimpy, I do not really know. But I know that the Board of Ethics is not allowing us to do anything other than work with identifying content and allowing these people to show up and film us. As far as a lot of the things that we look at is real extensive liability waiver information, it is not going to be included, and any regarding money is not going to be included. That maybe an explanation on why it is short. As far as the liability protection, if you look at paragraph two point three of the agreement it states that, and it is really the second portion starting with furthermore 4Dventures will coordinate with the County of Kaua'i to ensure at similar document is signed by all the participants prior to involvements with the project, thus releasing County of Kaua'i from any loss, etc. This is really about the kids to sign a general liability waiver release form and their parents sign it on their behalf. We would only require them to sign that one form and all this states is that 4Dventures is not protecting us from liability from the kids, there is no really involvement; they are on one side and we are on the other. What this says is that 4Dventures will coordinate with the County to ensure that the kids sign our form but we are already going to ensure that the kids sign our form. So, we are not requiring anything more this year's than in the past year's. This is just the kids signing our form and they get to play. 4D does not really get

involved in that, this document relates to us and 4D and it is very tricky because we are not allowed to get any more involved with them.

Ms. Yukimura: I am not asking you to be an expert in Intellectual Property but I am asking our County Attorney's Office to be an expert in protecting against liability and requiring indemnification, if necessary, and all of that. We already had cases that the County has had to handle with respect to that kind of protection. I would feel better if the County Attorney has reviewed it.

Mr. Trask: We have reviewed it and if you look in your packet, you can actually see the waiver form that we require the kids to sign.

Ms. Yukimura: Yes but what about paragraph two, point four and two, point five, it is not about waiver forms.

Mr. Trask: That is correct. Two point four and two point five states that if a kid gets injured, we are not going to sue 4Dventures. They would have nothing to do with it. The kid has already signed our waiver of liability saying that they are not going to sue us. That just means that if a kid gets hurt, we are not going to sue the production company.

Ms. Yukimura: That is not what it says. It says...

Mr. Trask: It says, "the County of Kaua'i releases, waives, discharges and covenant not to sue 4Dventures from any and all claims resulting in property damage, or personal injury or illness or death." And likewise, 4D is not going to sue the County of Kaua'i. We did review that and thought that it was fair and the Fire Department thought that it was fair.

Ms. Yukimura: Okay. How is two point six going to be enforced?

Mr. Trask: I appreciate that question, I really do, because it comes to a fundamental/philosophical question of how you can really assure anything. You know, you cannot. To be honest, I do not really like this idea. It gives me the willies as an attorney because the Fire Department has been approached before by people and it is really interesting to see these types of Letter's of Agreement because the standard language. People in our position, usually the County, waive any and all claims to anything as far as the depiction of the media. It uses words like this, "in any representation whatsoever in any media now known or currently being development or ever to be developed forever throughout the universe." We actually had to go back and forth with this and it sounds silly but it is true. All I told my client was that you could end up in East Europe someplace with your head cut on something and put someplace else, crazy. These people who are the production people; it is two people, a man and a woman, they are married, their child participated in the program last year, and they enjoyed it. So this is not a Hollywood type, big budgeted... it is two people. The Fire Department feels comfortable, they work with these people, their kids are in the program, and so we cannot assure that nothing is going to happen but again what we are here to do is... you know, today there were twelve people that had to be rescued from Hanakāpī'ai. I think within the past month, we had two people drown... this is about message. Every single month you are going to see a letter in the Garden Island about... recently the Senate passed a Resolution requiring videos. We actually were approached here, no money spent, nothing else to film a program that we are

already doing, and these people are trying to broadcast it around the world. The Fire Department saw that as an opportunity. They want to do this and that is the best that I can say. I am going to stick up for them today.

Ms. Yukimura: Chief, will this take any lifeguards away from their duties?

Mr. Westerman: No. That is why this is so short because it is not about us doing our job daily. They are filming us from a distance daily and we will continue to do our work. Any other filming that they do to make the show happen or whatever is completely separate from us. They plan on doing filming away from us with the students to help enhance the TV show. Do you understand what I am saying? This little indemnification that we have here is just for when they are standing there and we are running our junior lifeguard and keiki lifeguard programs, they are filming that from a distance. That is part of the agreement. They will not interfere with us, they will not make us do a re-cut kind of thing, they are not allowed to do any of that. That is why this is really so simple that they understand that they are outside looking in while we are doing this program because that is essence of the program, and the message that we are trying to get out.

Ms. Yukimura: They are taking the young people and doing things separately outside of your junior lifeguard program?

Mr. Westerman: Right.

Ms. Yukimura: The relationship that they have then is a totally separate relationship.

Mr. Westerman: Absolutely.

Ms. Yukimura: It is not something that can said be through the County?

Mr. Westerman: Right. Because that is what the Ethics Commission said. We had to keep it separate.

Ms. Yukimura: Because if there were any connection that would be... there are all kinds of potential things that could happen that I do not think the County should be responsible for.

Mr. Westerman: Right.

Mr. Trask: They are going to work with the kids and cover that but we made it clear that it is not our *kuleana*.

Ms. Yukimura: I hope that the language makes that clear; the separation.

Mr. Trask: The Ethic opinion clearly states that we cannot get involved any further.

Chair Furfaro: It is kind of like our lifeguards are being featured in a reality show.

Mr. Trask:

Well, the kids. Our lifeguards are more...

Chair Furfaro: No, but you are telling me that they are going to shoot the lifeguards from being in the stance and so forth as part of their narrative.

Mr. Trask:

Yes.

Chair Furfaro:

That is really, right.

Mr. Westerman:

Yes.

Chair Furfaro: enhancement to the water safety.

And then the kids will deliver and

Mr. Trask: Essentially they are going to choose some kids, they will track them, go to their house... I live here and this is what I do I play baseball, Kaua'i kids stuff.

Chair Furfaro:

Got it.

Mr. Bynum: This is great! We are all proud of the junior lifeguards... so, this is great. Thank you.

LONNIE SYKOS: On the one hand it seems like a tremendous opportunity for Kaua'i if for no other reason than marketing publicity for our tourism industry. We have a significant problem on this island with ocean safety, the whole State does. My problem in this is that we are turning our ocean safety message over to the producers of the reality show. By contract, we do not have any say over how they present ocean safety and my problem is that spent as a State millions of dollars a year attracting people to our beaches that are inherently unsafe and then even in the newspaper yesterday Sue Kanohe from our Visitor's Bureau made the comment that it was on the tourist to learn everything that they need to know about the dangers at our beaches. That she implied they drown because they failed to inform themselves. My problem with our whole ocean safety failure is I do not think tourist are stupid and I do not think that the tourist should have it placed upon them that after they here on their once in a lifetime vacation, they should have to spent significant amount of time undoing all of the marketing that we did to bring them here in the first place. All our marketing is that this is a swimmer, snorkeler's paradise and there are smiling whales, etc., and the truth is that when the surf comes up, you go close to the shore, you die. I am a waterman and get sucked out without my fins on and where is the helicopter? For the tourist, they have no idea. I was just back in my mom's home County in North Carolina and trust me nobody here that is not from that environment knows if you get bit once by a tick, you can die. One tick bite, you can die. Our dangers at the beach, my concern is that this show will continue to impress the public that our beaches are safer than they are. That is my problem with turning the ocean safety message in this program over to the people doing this because whatever their motive is or could be, the fact is it is a commercial venture and the entire purpose of this is to sell advertisement. That is how you make money, you sell advertising for your program. I am asking the Council to think carefully about turning any portion of our ocean safety public image over to a profit institution.

Chair Furfaro: Thank you for your testimony and your points are well taken. I think this effort here is focused on even the residents, the children that are here understand the dangers of the exposure and I am hoping a lot more work is done with the vacation rentals that you have pointed out. We actually lost a number of visitors, it is unfortunate, but we also lost a couple of residents.

Mr. Sykos: I agree. It does not matter how good of a waterman you are, right? One oops at the beach and it can be all over.

There being no objections, the meeting was called back to order, and proceeded as follows:

Mr. Bynum: I want to talk about Sue for a minute because I have watched her really press the envelope on this issue and push her own industry to be who have responded quite well. I am really impressed with the Visitor Industry's intention to this, their concern, and support. She is one of the prime movers to put safety videos in the baggage claim area which is an outstanding idea. Even Doctor Downs who is so passionate about this issue that he is not shy about criticizing the Council or the County when something goes wrong that really made it clear in a recent... that the Visitor Industry has stepped up on this issue and responded. I just had to say that in Sue's defense. Sometimes you get quoted in the newspaper and it does not really give you the full context of what your position is on a particular thing.

Ms. Yukimura: I want to say that I feel like I have been working with Sue Kanohe for years to try to get video on the airplanes and she has done everything she can do and will continue to work on that. I also want to say that I am a little worried about the distinction with the junior lifeguard program and that the other work that they do with the kids is not really clear in here. Also, we are giving an inclusive right to showcase, present, promote the program and its activities for a period of time. That is a benefit that we are giving out and I do not doubt the couple here but I do not doubt their sincerity or their very strong support of this program and their desire to do good here on the island. It is a benefit that we are giving out and I am not sure in exchange for what... but there is not a clarity about the junior lifeguard program as being separate from the other work that the other group does with the kids. I think that is sort of important to do that.

There being no objections, the rules were suspended.

Mr. Trask: First off regarding the exclusive video language, it is my understanding and this is largely from the media, when someone does something like this and this is not... you either get production money up front when you sell the idea and you get backed by a studio. Then they will front you all the cost. Or you start filming something, you prepare a treatment and then you try to shop it around and sell it. We are not in the business of television. It is not within the Charter or County Ordinances, I have looked. What these people are doing is fronting all the costs and really the only benefit we are getting is an opportunity to get the message out. Again, Ocean Safety and the Fire Department wanted to take advantage of this opportunity. If we enter into this agreement with these people, it is true, they will be the only ones that can shop around this lifeguard idea. There is no money exchanging, so there is no procurement issues, etc. The Fire Department is willing to enter into this agreement with them through Kalani Vierra of Ocean Safety because they appreciate this opportunity. If you bid this out, you can deny the request today and they will stop. There will be no more TV show. Aside from

that if you really want to get into it of what I think would be the best thing is to approve Special Counsel funds so we can hire an attorney from LA to go over all these things and write a big document that will treat everything and make it more complex. I definitely do not have the expertise to do this and it does not involve Intellectual Property Law and Entertainment Law. This is what we got right now and I really do not know much more.

There being no objections, the meeting was called back to order, and proceeded as follows:

The motion to approve C 2013-139 was then put, and carried by the following vote:

FOR APPROVAL:	Bynum, Hooser, Rapozo,	
	Yukimura, Furfaro	TOTAL - 5,
AGAINST APPROVAL:	Kagawa, Nakamura	TOTAL - 2,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

C 2013-132 Communication (03/13/2013) from the Director of Finance, transmitting for Council information, the Period 6 Financial Reports – Detailed Budget Report, Statement of Revenues (Estimated and Actual), Statement of Expenditures and Encumbrances, and Revenue Report as of December 31, 2012, pursuant to Section 21 of the Fiscal Year 2012-2013 Operating Budget Ordinance No. B-2012-736 of the County of Kaua'i: Mr. Bynum moved to receive C 2013-132 for the record, seconded by Ms. Yukimura, and carried by a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura were Excused*).

There being no objections, C 2013-136 and C 2013-137 were taken out of order.

C 2013-136 Communication (03/15/2013) from the Deputy Director of Finance, transmitting for Council information, the 2013 Real Property Assessment List of the County of Kaua'i: Mr. Bynum moved to receive C 2013-136 for the record, seconded by Ms. Yukimura, and carried by a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura were Excused*).

C 2013-137 Communication (03/15/2013) from the Director of Finance, transmitting for Council consideration, supplemental property tax revenue information pertaining to the estimated reduction in real property tax revenues resulting from the various tax relief measures enacted by the County Council, based on the Real Property Assessment Certification for Fiscal Year 2014 factored with the existing real property tax rates: Mr. Bynum moved to receive C 2013-137 for the record, seconded by Ms. Yukimura, and carried by a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura were Excused*).

C 2013-135 Communication (03/15/2013) from Council Chair Furfaro, requesting the presence of the Director of Finance and the Director of Parks & Recreation, to provide an overview of the "Parks & Recreation Improvement and Maintenance Revolving Fund," and to provide a report that reconciles the expenses and revenues within the fund: Mr. Bynum referred C 2013-135 to the Public Works / Parks & Recreation Committee Meeting, seconded by Ms. Yukimura, and carried by a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura was Excused*).

CLAIMS:

C 2013-140 Communication (03/07/2013) from the Deputy County Clerk, transmitting a claim filed against the County of Kaua'i, by Lynelle H. Lopez, for damages to her vehicle, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Bynum moved to refer C 2013-140 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Ms. Yukimura, and carried by a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura was Excused*).

C 2013-141 Communication (03/11/2013) from the Deputy County Clerk, transmitting a claim filed against the County of Kaua'i, by Bob's Roofing LLC, Robert Kuslo, for damage to his vehicle, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Bynum moved to refer C 2013-141 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Ms. Yukimura, and carried by a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura was Excused*).

C 2013-142 Communication (03/13/2013) from the Deputy County Clerk, transmitting a claim filed against the County of Kaua'i, by William R. Ronaldson, for damage to his personal property, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Bynum moved to refer C 2013-142 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Ms. Yukimura, and carried by a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura was Excused*).

C 2013-143 Communication (03/15/2013) from the Deputy County Clerk, transmitting a claim filed against the County of Kaua'i by Island Insurance Company, as subrogee of Ernest Sueoka, for property damage, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Bynum moved to refer C 2013-143 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Ms. Yukimura, and carried by a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura was Excused*).

C 2013-144 Communication (03/18/2013) from the Deputy County Clerk, transmitting a claim filed against the County of Kaua'i by Marvin Hesapene, for damages to his vehicle, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Bynum moved to refer C 2013-144 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Ms. Yukimura, and carried by a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura was Excused*).

C 2013-145 Communication (03/18/2013) from the Deputy County Clerk, transmitting a claim filed against the County of Kaua'i by Fairmont Specialty, for damages to their vehicle, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Bynum moved to refer C 2013-145 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Ms. Yukimura, and carried by a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura was Excused*).

C 2013-146 Communication (03/19/2013) from the Deputy County Clerk, transmitting a claim filed against the County of Kaua'i by Steven B. Macklin, P.E., for property damage, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Bynum moved to refer C 2013-146 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Ms. Yukimura, and carried by a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura was Excused*).

COMMITTEE REPORTS:

ENVIRONMENTAL SERVICES / PUBLIC SAFETY / COMMUNITY ASSISTANCE COMMITTEE

A report (No. CR-EPC 2013-02) submitted by the Environmental Services / Public Safety / Community Assistance Committee, recommending that the following be received for the record:

“EPC 2013-02 Communication (03/03/2013) from the Director of Economic Development, requesting agenda time to provide a presentation on the results of the Waimea Air Quality Study,”

Mr. Bynum moved for approval of the report, seconded by Ms. Yukimura, and carried by a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura was Excused*).

PUBLIC WORKS / PARKS & RECREATION COMMITTEE

A report (No. CR-PWPR 2013-10) submitted by the Public Works / Parks & Recreation Committee, recommending that the following be received for the record.

“PWPR 2013-08 Communication (03/01/2013) from Committee Chair Kagawa, requesting the presence of the Director of Parks & Recreation, to provide an update on the repair and maintenance of the scoreboards located at Hanapēpē Stadium, as well as the repair and maintenance of all other scoreboards located at County stadiums and parks,”

Mr. Bynum moved for approval of the report, seconded by Mr. Rapozo, and carried by a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura was Excused*).

A report (No. CR-PWPR 2013-11) submitted by the Public Works / Parks & Recreation Committee, recommending that the following be received for the record.

“PWPR 2013-09 Communication (03/13/2013) from Committee Chair Kagawa and Chair Furfaro, requesting the presence of the Director of Parks & Recreation to provide the Council with an update on the condition and operation of the Wailua Golf Course, to include but not limited to, the status of all concession contracts at the Wailua Golf Course,”

Mr. Bynum moved for approval of the report, seconded by Mr. Rapozo, and carried by a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura was Excused*).

Resolution No. 2013-07, RESOLUTION ESTABLISHING NO-PARKING AT ANY TIME ALONG A PORTION OF PO'IPU ROAD IN THE VICINITY OF THE DRIVEWAY ENTRANCE TO THE KIAHUNA PLANTATION RESORT, MARRIOTT'S WAIOHAI BEACH CLUB, AND KO'A KEA HOTEL, KŌLOA DISTRICT: Mr. Rapozo moved to receive Resolution No. 2013-07 for the record, seconded by Ms. Yukimura.

Ms. Yukimura: This is in reference to a letter we received from Larry Dill asking us to receive this and they are going to send something back to us at a later date.

Chair Furfaro:

Date is not specific.

Ms. Yukimura: Right, so the issue is still alive as far as we are concern but this particular Resolution is not.

The motion to receive Resolution No. 2013-07 for the record was then put, and carried by a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura was Excused*).

Resolution No. 2013-42, RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE BUILDING BOARD OF APPEALS (*Heath Allen Prow*): Ms. Yukimura moved to adopt Resolution No. 2013-42, seconded by Mr. Rapozo, and carried by the following vote:

FOR ADOPTION:	Bynum, Hooser, Rapozo, Yukimura, Furfaro	TOTAL – 5,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Kagawa, Nakamura	TOTAL – 2,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Resolution No. 2013-43, RESOLUTION REPEALING ITEM NO. EIGHTEEN (18), SECTION XVI, OF RESOLUTION NO. 54-91, RELATING TO THE TWENTY-FIVE MILES PER HOUR (25 MPH) SPEED LIMIT ALONG A PORTION OF IWIPOLENA ROAD, AND ESTABLISHING A NEW MAXIMUM SPEED LIMIT OF FIFTEEN MILES PER HOUR (15 MPH) ALONG PORTIONS OF IWIPOLENA ROAD, WAIMEA DISTRICT, COUNTY OF KAUAI, STATE OF HAWAII: Mr. Rapozo moved to adopt Resolution No. 2013-43, seconded by Ms. Yukimura, and carried by the following vote:

FOR ADOPTION:	Bynum, Hooser, Rapozo, Yukimura, Furfaro	TOTAL – 5,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Kagawa, Nakamura	TOTAL – 2,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Chair Furfaro: The next item, I believe, has been a request to defer. Am I correction?

Mr. Clerk: Yes, both Resolution No. 2013-44 and Resolution No. 2013-45.

Resolution No. 2013-44, RESOLUTION AUTHORIZING THE FILING OF THE KAUAI COUNTY 2013 ACTION PLAN (HOME INVESTMENT PARTNERSHIPS PROGRAM) WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, UNITED STATES OF AMERICA, FOR A GRANT UNDER TITLE II OF THE CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT (PUBLIC LAW 101-625), AS AMENDED

Upon motion duly made by Mr. Bynum, seconded by Ms. Yukimura, and carried a 5:0:2:0 vote (*Mr. Kagawa and Ms. Nakamura were excused*), Resolution No. 2013-44 was deferred.

(*Ms. Yukimura was Recused on this item.*)

Resolution No. 2013-45, RESOLUTION AUTHORIZING THE FILING OF THE KAUAI COUNTY 2013 ACTION PLAN (COMMUNITY DEVELOPMENT BLOCK GRANT) WITH THE DEPARTMENT OF HOUSING AND URBAN

DEVELOPMENT, UNITED STATES OF AMERICA, FOR A GRANT UNDER TITLE I OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 AND 1987 (PUBLIC LAWS 93-383 AND 100-242), AS AMENDED

Upon motion duly made by Mr. Bynum, seconded by Mr. Rapozo, and carried a 4:0:2:1 vote (*Mr. Kagawa and Ms. Nakamura were excused, and Ms. Yukimura was recused*), Resolution No. 2013-45 was deferred.

(Ms. Yukimura was noted back in the Council Meeting.)

Resolution No. 2013-46, RESOLUTION URGING THE GOVERNOR, THE HAWAII CONGRESSIONAL DELEGATION, AND ALL STATE OF HAWAII LEGISLATORS TO ENCOURAGE PRESIDENT BARACK H. OBAMA TO SELECT HAWAII AS THE SITE FOR HIS PRESIDENTIAL LIBRARY: Ms. Yukimura moved to adopt Resolution No. 2013-46, seconded by Mr. Rapozo.

Chair Furfaro: This is a Resolution that was introduced by Vice Chair Nakamura, although she is not here, I do believe that she would appreciate your support.

The motion to adopt Resolution No. 2013-46 was then put, and carried by the following vote:

FOR ADOPTION:	Bynum, Hooser, Rapozo, Yukimura, Furfaro	TOTAL – 5,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Kagawa, Nakamura	TOTAL – 2,
RECUSED & NOT VOTING:	None	TOTAL – 0.

ADJOURNMENT.

There being no further business, the meeting was adjourned at 6:48 p.m.

Respectfully submitted,



RICKY WATANABE
County Clerk

:dmc

(March 27, 2013)

FLOOR AMENDMENT

Resolution No. 2013-47, Resolution Determining The County of Kaua'i Fuel Tax Rate And Repealing Resolution No. 2004-06, Draft 2

Introduced by: JOANN A. YUKIMURA

1. Amend Resolution No. 2013-47 in its entirety to read as follows:

"[BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF KAUAI, STATE OF HAWAII:

SECTION 1. In accordance with Section 243-5, Hawai'i Revised Statutes, as amended ("HRS"), and Section 5-1.1, Kaua'i County Code 1987, as amended, the fuel tax levied and collected shall be set at fifteen cents (15¢) per gallon of liquid fuel and zero cents (0¢) per gallon of biodiesel.

SECTION 2. Chapter 243, HRS, as amended, requires that the County of Kaua'i fuel tax be set by resolution.

SECTION 3. Resolution No. 2004-06, Draft 2 is hereby repealed.

SECTION 4. Copies of this Resolution shall be transmitted to the Mayor, Director of Finance, and the Director of Taxation of the State of Hawai'i.

SECTION 5. This Resolution shall take effect on July 1, 2013.]

WHEREAS, the purpose of this resolution is to ensure the long term viability of both the county road system and the public bus system, to reduce auto maintenance costs to the driving public by providing better roads, and to meet the growing demand for bus services that will help to reduce vehicular traffic on the roads as well as fossil fuel consumption, greenhouse gases, and household transportation costs; and

WHEREAS, the Council finds that county gas taxes have not been raised for 14 years; yet road repair costs, which are partly oil-based, have risen astronomically. Therefore, an increase is justified and will help to ensure a regular roadway resurfacing and maintenance program based on a preventive maintenance approach. In Honolulu poorly maintained roads are estimated to cost drivers an average of \$600.00 – \$700.00 each year in repairs, new tires, and added fuel annually; and

WHEREAS, the Council also finds that demand for bus services has also grown tremendously to the point where both passengers and bicyclists are being turned away because the buses are sometimes too full to safely accommodate all the passengers who are waiting at a bus stop. If the County is to expand bus services as called for in the Multimodal Land Transportation Plan, it will need a source of financing to do so; and

WHEREAS, the Council also finds that it is important to have users of the county's road system pay their fair share since it is primarily the user that is causing the need for road maintenance and getting the benefit from use of the road system. Among the users are visitors to Kauai who make up

about twenty percent (20%) of the county's de facto population; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF KAUAI, STATE OF HAWAII:

SECTION 1. The County of Kauai fuel tax shall be fixed as stated in Resolution No. 2013-47, Draft 1.

The County of Kauai fuel tax per gallon of liquid fuel, authorized by Chapter 243, Hawaii Revised Statutes (HRS), as amended, is thirteen cents (13¢) per gallon of liquid fuel and zero cents (0¢) per gallon of biodiesel, and shall be increased as follows:

Effective July 1, 2013, an additional three cents (3¢) per gallon of liquid fuel;

Effective July 1, 2014, an additional one cent (1¢) per gallon of liquid fuel; and

Effective July 1, 2015 an additional two cents (2¢) per gallon of liquid fuel.

The amount of fuel tax collected annually from four cents (4¢) per gallon of liquid fuel shall be used exclusively for the improvement and operation of The Kauai Bus."

SECTION 2. Chapter 243, HRS, as amended, requires that the County of Kauai fuel tax be set by resolution.

SECTION 3. Resolution No. 2004-06, Draft 2 is hereby repealed.

SECTION 4. Copies of this Resolution shall be transmitted to the Mayor, Director of Finance, and the Director of Taxation of the State of Hawaii.

SECTION 5. This Resolution shall take effect on July 1, 2013."

(Material to be deleted is bracketed. New material to be added is underscored.)

V:\AMENDMENTS\2012-2014 term\Fuel Tax Resolution Floor Amendment (JY) SS_cy.doc

(March 27, 2013)

FLOOR AMENDMENT

Proposed Draft Bill (No. 2484), A Bill For An Ordinance Amending Section 5-1.1, Kaua'i County Code 1987, As Amended, Relating To The County Fuel Tax

Introduced by: JOANN A. YUKIMURA

1. Amend Proposed Draft Bill (No. 2484) in its entirety to read as follows:

SECTION 1. Purpose. The purpose of this ordinance is to ensure the long term viability of both the county road system and the public bus system, to reduce auto maintenance costs to the driving public by providing better roads, and to meet the growing demand for bus services that will help to reduce vehicular traffic on the roads as well as fossil fuel consumption, greenhouse gases, and household transportation costs.

The Council finds that county gas taxes have not been raised for 14 years; yet road repair costs, which are partly oil-based, have risen astronomically. Therefore, an increase is justified and will help to ensure a regular roadway resurfacing and maintenance program based on a preventive maintenance approach. In Honolulu poorly maintained roads are estimated to cost drivers an average of \$600.00 – \$700.00 each year in repairs, new tires, and added fuel annually.

The Council also finds that demand for bus services has also grown tremendously to the point where both passengers and bicyclists are being turned away because the buses are sometimes too full to safely accommodate all the passengers who are waiting at a bus stop. If the County is to expand bus services as called for in the Multimodal Land Transportation Plan, it will need a source of financing to do so.

The Council also finds that it is important to have users of the county's road system pay their fair share since it is primarily the user that is causing the need for road maintenance and getting the benefit from use of the road system. Among the users are visitors to Kauai who make up about twenty percent (20%) of the county's de facto population.

SECTION 2. Chapter 5, Article 1, Section 5-1.1 of the Kaua'i County Code 1987, as amended, is hereby amended to read as follows:

Sec. 5-1.1 Fuel Tax Rate.

[The County of Kaua'i fuel tax authorized by Chapter 243 Haw. Rev. Stat., as amended is thirteen cents (13¢) per gallon of liquid fuel, and zero cents (0¢) per gallon of biodiesel, as fixed by Resolution No. 2004-06, Draft 2, pursuant to Sec. 243-5, Haw. Rev. Stat., as amended. A review by the Administration of the impact the biodiesel fuel tax rate established herein has on the highway fund shall be completed by July 1, 2009.]

The County of Kaua'i fuel tax shall be fixed as stated in Resolution No. 2013-47, Draft 1.

The County of Kaua'i fuel tax per gallon of liquid fuel, authorized by Chapter 243, Hawai'i Revised Statutes (HRS), as amended, is thirteen cents (13¢) per gallon of liquid fuel and zero cents (0¢) per gallon of biodiesel, and shall be increased as follows:

Effective July 1, 2013, an additional three cents (3¢) per gallon of liquid fuel;

Effective July 1, 2014, an additional one cent (1¢) per gallon of liquid fuel; and

Effective July 1, 2015 an additional two cents (2¢) per gallon of liquid fuel.

The amount of fuel tax collected annually from four cents (4¢) per gallon of liquid fuel shall be used exclusively for the improvement and operation of The Kaua'i Bus."

SECTION 3. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable.

SECTION 4. Material to be deleted is bracketed. New material is underscored. When revising, compiling, or printing this Ordinance for inclusion in the Kaua'i County Code 1987, as amended, the brackets, bracketed material and underscoring need not be included.

SECTION 5. This Ordinance shall take effect July 1, 2013.

(Material to be deleted is bracketed. New material to be added is underscored.)
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